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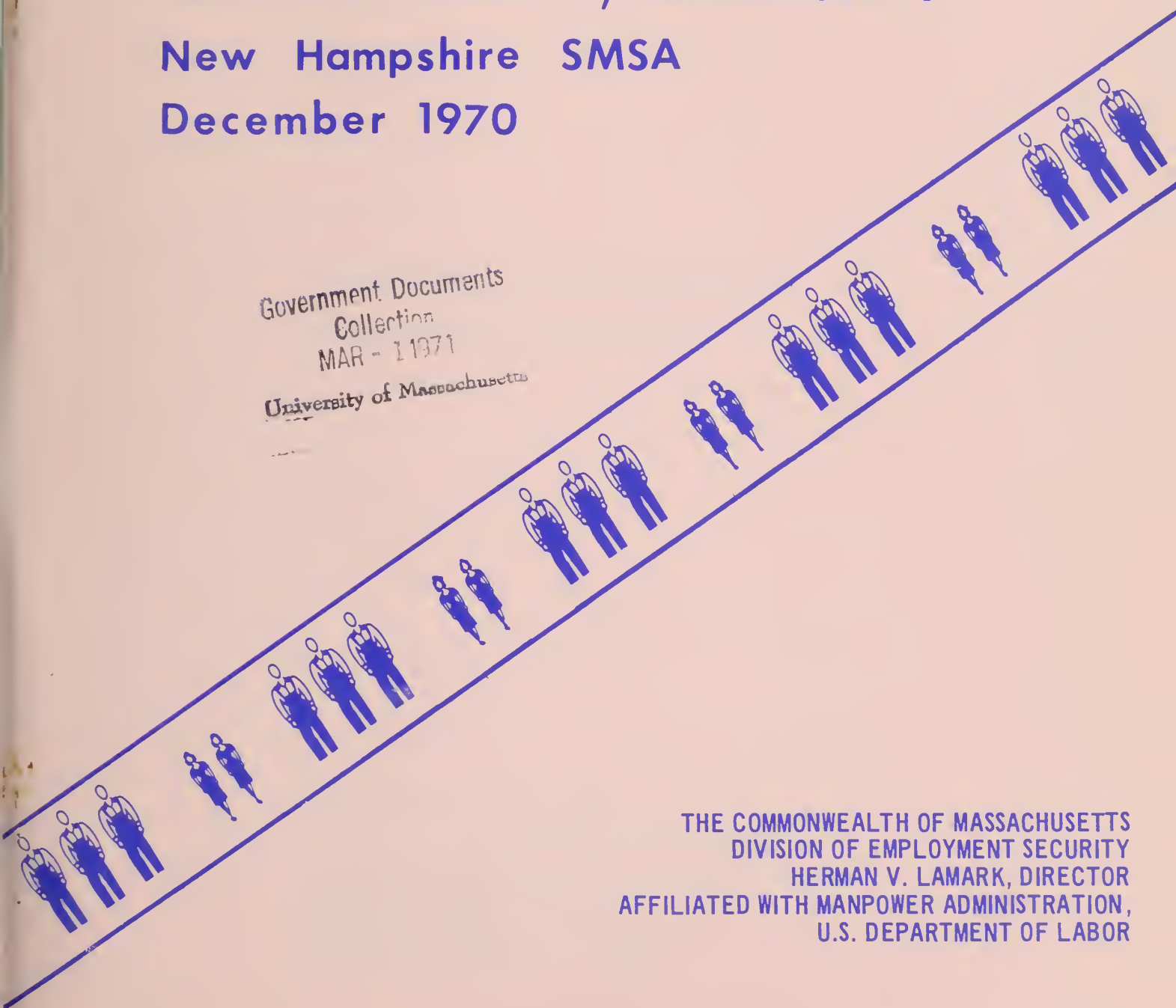
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ANNUAL MANPOWER PLANNING REPORT

Lawrence - Haverhill, Massachusetts -
New Hampshire SMSA
December 1970

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THE COMMONWEALTH OF MASSACHUSETTS
DIVISION OF EMPLOYMENT SECURITY
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AFFILIATED WITH MANPOWER ADMINISTRATION,
U.S. DEPARTMENT OF LABOR

ANNUAL MANPOWER PLANNING REPORT

DECEMBER 1970

STANDARD METROPOLITAN STATISTICAL AREA

LAWRENCE-HAVERHILL, MASSACHUSETTS - N. H. SMSA

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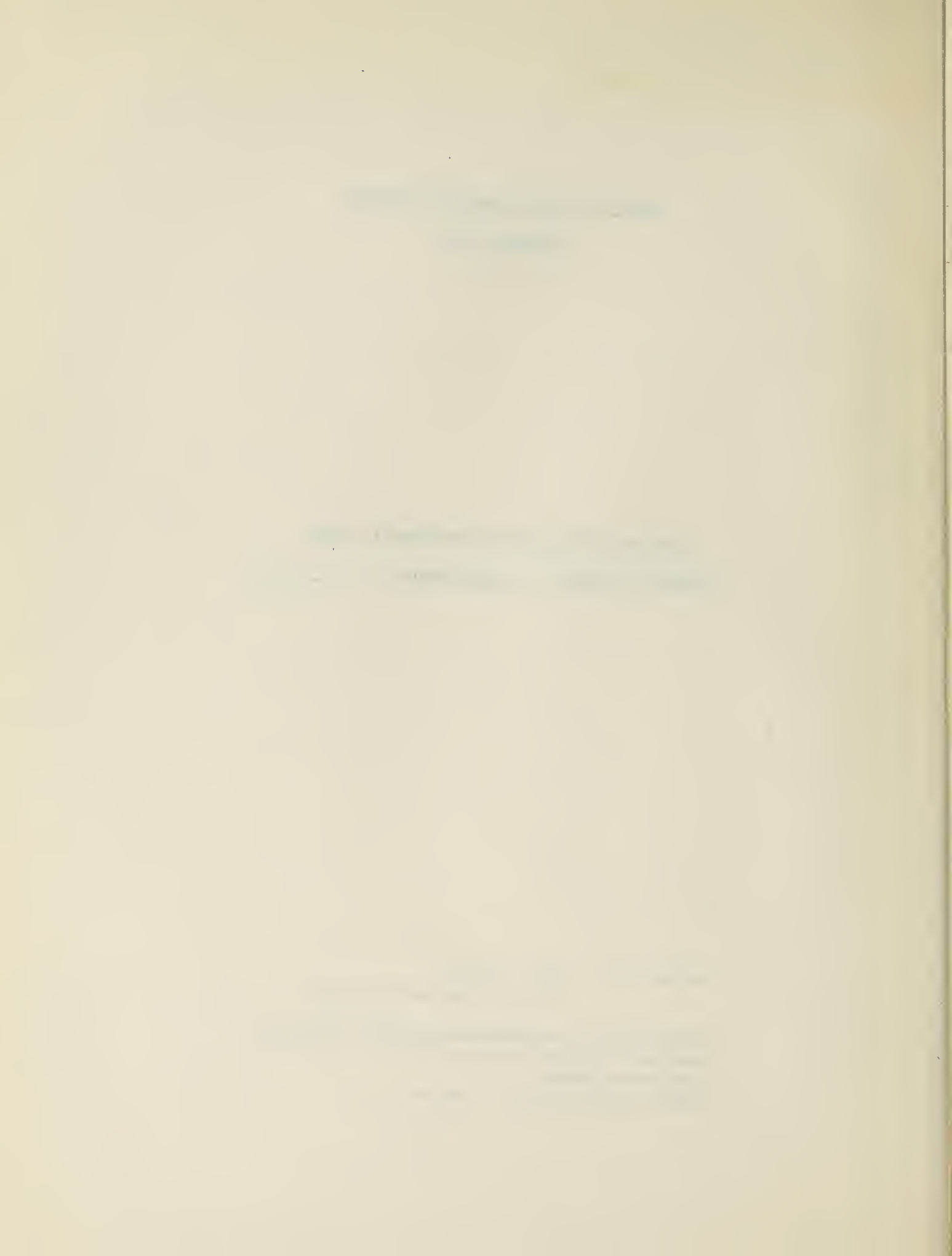


TABLE OF CONTENTS

Body of Report	Page
1. Highlights and Conclusions.	1
2. Description of Area	2
a. Definition of Area: Location and Geographical Features	2
b. Economic Development and Outlook	2
c. Population and Labor Force Characteristics and Trends	3
3. Employment Developments and Outlook by Industry	7
a. Lawrence-Haverhill, Massachusetts SMSA	7
Industrial Composition Table	8
4. Employment Developments and Outlook by Occupation	10
5. Recent Trends in Unemployment	12
6. The Universe of Need for Manpower Services	14
Table 1: Universe of Need for Manpower Services	15
7. Characteristics of the Disadvantaged	16
Plan of Service Manpower Data Summary	17
8. Characteristics of Individuals Other than the Disadvantaged in the Universe of Need	18
9. Barriers to Employment of the Disadvantaged	19
Appendix	20
Map: Lawrence-Haverhill, Massachusetts-New Hampshire SMSA	21
Appendix Table I: Population Characteristics: Lawrence - Haverhill, Mass. - N.H. SMSA, 1960 U.S. Census	22
Appendix Table II: Skill Levels and Education, 1960 U.S. Census	23
Appendix Table III: Long-Term Labor Force Trends for Various Groups, 1960 U.S. Census	24
Sources:	25

1. Highlights and Conclusions

The Universe of Need for Manpower Services in the Lawrence-Haverhill SMSA is estimated at about 33,950 for the fiscal year 1972. The estimate includes 10,450 poor (8,500 disadvantaged and 1,950 other poor), 6,500 "near poor" and some 17,000 non-poor.

The population of the SMSA has increased from 199,136 at the time of the 1960 census to 229,325 according to preliminary figures obtained from the 1970 U.S. Census. This is an increase of 15.2 percent, all of which occurred in the suburban towns rather than in the central cities of the SMSA. The cities of Lawrence and Haverhill actually lost population by 6.7 percent and 1.5 percent respectively, Groveland, Massachusetts had a 61.5 percent gain in population. The three suburban towns in New Hampshire continue to experience rapid growth. (Newton was up by 48.6 percent, Plaistow by 51.5 percent and Salem by 111.6 percent).

During the past year the unemployment rate for the Lawrence-Haverhill SMSA has risen from 5.1 percent in November 1969 to 8.5 percent in November 1970, the last month for which reports are complete. In fact, business developments during 1970 transformed the SMSA from an area of moderate unemployment to one of substantial unemployment over a period of only six months.

While the 1960 U.S. Census estimated very few Spanish-speaking residents among the population, current estimates by feature writers in the local press place the Spanish-speaking minority in Lawrence at over 8,000 and at 500 to 1,000 in Haverhill. So far those of Latin-American descent have not formed any disproportionate number of unemployment insurance claimants.

Non-white population, estimated in the vicinity of one percent of the total SMSA population in the U.S. Census of 1960, has undergone little change in the past ten years.

The annual average unemployment rate for the fiscal year 1970 was 4.7 percent, whereas for the first 11 months of the calendar year 1970 it was 6.8 percent and may be expected to average seven percent or more for the fiscal year 1972. The average number of unemployed workers for fiscal 1970 was 5,100; for the first 11 months of the calendar year 1970 it was 6,400. Unemployment for November 1970 totaled 8,100 workers.

The main barriers to employment affecting the disadvantaged workers in the Lawrence-Haverhill SMSA are lack of knowledge of the English language, low educational and skill levels, lack of easily accessible child-care facilities, and infrequent local public transportation.

2. Description of Area

a. Definition of Area--Location and Geographical Features

The Lawrence-Haverhill, Massachusetts-N.H. SMSA is located in north-eastern Massachusetts and southeastern New Hampshire. It includes the cities of Lawrence and Haverhill; the towns of Andover, Georgetown, Groveland, Merrimac, Methuen, North Andover, and West Newbury in Essex County, Massachusetts; also, the towns of Newton, Plaistow, and Salem in Rockingham County, New Hampshire (see map in appendix).

In this SMSA there is no CEP activity nor any Model Cities program in effect.

b. Economic Developments and Outlook

During the past twelve months the unemployment rate for the Lawrence-Haverhill SMSA has risen from 5.1 percent in November 1969 to 8.5 percent in November 1970, the last month for which reports are complete. The unemployment rate reached a peak of 9.8 percent for the month of July 1970 when many workers not eligible for vacation pay were idle during vacation shutdowns. Many of these plants did not call back the number of workers they had employed in the months prior to vacation shutdowns. Other plants have announced curtailments of production or actual closings during the autumn of 1970. Early in 1970 it was uncertain whether economic activity in the area was just in a pause for adjustment or in the early stage of a more prolonged downturn. The conclusion now is that a real recession is in progress in the Lawrence-Haverhill SMSA.

Of two important employers in the electrical machinery industry, one has passed an early summer peak and the number of employees appears to be lower but will probably continue on about the current level for the next few months. Employment at the other firms, which had been decreasing for more than a year, now seems to be leveling off to the extent that some former employees may be recalled during early 1971.

The closing of shoe factories has continued during the year 1970, especially in the Haverhill section of the SMSA. One small company has closed and one large one is going into what it terms "a suspension of operations until business conditions favor a resumption of production." Another company has announced a planned phaseout to take place before February 1971 "unless the employees' union agrees to an extension of the current working agreement." Employees of some of the shoe firms that closed in 1969 have begun to receive extended unemployment benefits under provisions of the Federal Trade Expansion Act. Such benefits may be paid to both employers and employees who have been adversely affected by competition of foreign imports. The act also provides for retraining for other types of jobs in certain instances.

Other manufacturing industries in the SMSA that are experiencing reduced demand are textile products, paper products, and nonelectrical and electrical machinery. Nonmanufacturing employment has also declined especially in contract construction and the research and development sector of the service industry.

The adverse developments just mentioned have transformed the Lawrence-Haverhill SMSA from an area of moderate unemployment to one of substantial unemployment over a period of six months. The economic difficulties which have developed in the SMSA are the result of divergent factors such as foreign competition in shoe and textile manufacturing; Federal Government efforts to slow down inflation by reducing expenditures and phasing out not only military and space purchasing, but also many research and development activities some of which were contracted to private firms. The pace of urban renewal and other construction projects has been slow where affected parties cannot agree on how to proceed in demolition or reconstruction. The uncertainties faced by many industries in the area have tended to minimize private construction activities. Housing starts have been held back by difficulties in obtaining mortgage money or by the high rates of interest.

In view of the above factors it must be said that the outlook for improved economic conditions in the near future and, probably through the fiscal year 1971-1972, is not encouraging. Higher unemployment can be expected through the winter as seasonal workers in trade and service industries join those laid-off from other occupations. Unless there is a sudden change in Federal economic policies the only improvement that can be looked for at the end of winter is that seasonal work will resume to the customary extent. The only bright spot for "after the year-end holidays" will be the hiring or recalling of seasonal clerical workers at the North Atlantic Internal Revenue Service Center.

c. Population and Labor Force Characteristics and Trends

From the accompanying tables based on the 1955 and 1965 state census it can be seen that the Lawrence-Haverhill SMSA has gained in population during that ten year period. Although a new Federal census has been taken during 1970, not much beyond overall population estimates is yet available. However, a table showing the population differences between 1960 and 1970 in the area cities and towns is included simply to verify the rapid population "explosion," particularly in the suburban towns of the SMSA.

THE COMMONWEALTH OF MASSACHUSETTS
DIVISION OF EMPLOYMENT SECURITY

Population Trends of Cities and Towns in the Massachusetts Portion of the
Lawrence-Haverhill, Massachusetts - N. H. SMSA

SMSA	1955	1965	Increase or Decrease	Balance Births to Deaths	Net in or out Migration
Totals	181,929	193,142	+11,213	-15,863	- 4,650
Andover	14,535	20,551	+ 6,016	- 2,178	+ 3,838
Georgetown	2,821	4,644	+ 1,823	- 568	+ 1,255
Groveland	2,643	4,866	+ 2,223	- 414	+ 1,809
Haverhill	45,436	43,249	- 2,187	- 3,802	- 5,989
Lawrence	76,094	69,070	- 7,024	- 5,107	-12,131
Merrimac	2,980	3,733	+ 753	- 410	+ 343
Methuen	26,437	32,466	+ 6,029	- 2,546	+ 3,483
North Andover	9,362	12,514	+ 3,152	- 724	+ 2,428
West Newbury	1,621	2,049	+ 428	- 114	+ 314

Source: 1955 and 1965 Decennial Census, Commonwealth of Massachusetts

Comparison of Population Data Over the Decade 1960-1970 *

Lawrence-Haverhill, Massachusetts-N.H. SMSA

	1970 (Preliminary)	1960	Change 1960 to 1970	
			Number	Percent
Total	229,325	199,136	30,189	15.2
Central Cities	111,859	117,279	-5,420	- 4.6
Lawrence	66,216	70,933	-4,717	- 6.7
Haverhill	45,643	46,346	- 703	- 1.5
Suburban Towns In Essex County, Mass.				
Andover town	23,277	17,134	6,143	35.9
Georgetown town	5,271	3,755	1,516	40.4
Groveland town	5,325	3,297	2,028	61.5
Merrimac town	4,184	3,261	923	28.3
Methuen town	34,986	28,114	6,872	24.4
North Andover town	16,185	10,908	5,277	48.4
West Newbury town	2,228	1,844	384	20.8
In Rockingham County, N.H.				
Newton town	2,109	1,419	690	48.6
Plaistow town	4,417	2,915	1,502	51.5
Salem town	19,484	9,210	10,274	111.6

* Source U.S. Census of Population

Lawrence-Haverhill, Massachusetts - N. H. SMSA

Population by Race and Age

(From the 1960 Census)

Race	SMSA	Lawrence	Haverhill
Total Population*	196,461	70,933	46,346
White	195,586	70,547	46,031
Negro	703	308	286
Other Race	172	78	29

	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>
Total	93,880	102,581	33,775	37,158	21,638	24,708
Under 5	10,194	9,661	3,553	3,294	2,326	2,207
5-14 years	18,198	17,621	6,038	5,903	3,950	3,972
15-24 years	10,406	11,609	3,821	4,311	2,435	2,989
25-34	10,772	11,474	3,830	3,937	3,436	2,584
35-44	13,176	14,318	4,601	5,120	2,883	3,200
45-54	11,539	12,591	4,219	4,650	2,560	2,966
55-64	8,996	10,966	3,472	4,410	2,222	2,799
65 and over	10,599	14,251	4,221	5,533	2,826	3,991

* Does not include Newton, N.H.

From the state census table it can be seen that all Massachusetts towns in the SMSA gained in population from 1955 to 1965. The Federal census shows that the three New Hampshire towns in the SMSA gained over the decade 1960 to 1970, and it is safe to say that they also gained in the ten years from 1955 to 1965. The two central cities of the area lost population during the same two periods. However, the city of Haverhill made a slight gain from 1965 to 1970 contrary to a widespread trend. The cities lost population both by out-migration and by an excess of deaths over births. Simultaneously the suburban towns grew both from in-migration brought about both by the exodus from central cities and from some migration from other parts of the country to the extent that many technical personnel followed the opening of new plants in the SMSA by their employing firms.

Aside from the tendency of upper and middle class families to move from small or rented quarters in the cities to larger or single unit residences in the suburbs, the main change in the population of the SMSA has been the thronging into the city of Lawrence and to a smaller extent into Haverhill of Spanish-speaking families from Puerto Rico and Latin American countries. This group has been attracted by job openings in the textile, garment, and shoe manufacturing industries. Although hampered by a language difficulty, many of the in-migrants apparently already had certain trades or skills and were willing to accept the wages offered. They also found that many services were available to them from governmental units. Until the recent slowdown in industrial activity the Spanish-speaking people composed a negligible percentage of unemployment claimants.

Information regarding minority groups has not yet become available from the 1970 Federal census. From recent surveys of unemployment claims non-white minority groups are much less numerous in the Lawrence-Haverhill SMSA than are groups of Latin American descent. At present those concerned with helping the Spanish-speaking community are estimating the number of this group in Lawrence at some 8,000. In Haverhill the number is estimated to be between 500 and 1,000.

In the population tables figures are not too representative of current age distribution because of time lag and population changes since 1960, but allowances are made in the Universe of Need for such changes when arriving at estimates of requirements for employment-related services in the 1971-1972 fiscal year.

3. Employment Developments and Outlook by Industry

For the first eleven months of 1970 the average nonagricultural employment stood at 80,000, down by 300 from the 1969 annual average of 80,300. The trend was down in all manufacturing categories as shown on the following table -- except that of "other durable goods," which was up slightly as a result of expansion at a large electrical machinery plant. For 1970 compared to 1969 the trend in most nonmanufacturing categories was either unchanged or up slightly. However, government employment was notably up because of activity at the North Atlantic Internal Revenue Service Center and increases in personnel employed on seasonal and special projects of the municipal governments in the SMSA.

The Commonwealth of Massachusetts
Division of Employment Security
Lawrence-Haverhill, Massachusetts - N.H. SMSA
Industrial Composition
(in 000's)

	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969	11 Month Average 1970
Employment Total	83.6	84.4	87.6	87.0	84.9	83.7	84.6	87.1	88.4	87.6	87.3
Nonagricultural	74.6	75.2	78.3	78.1	76.2	75.3	76.6	79.3	80.9	80.3	80.0
Manufacturing	43.4	43.3	45.6	43.7	41.5	40.0	40.2	41.0	40.7	38.5	37.3
Durable Goods	19.4	19.9	22.6	22.0	20.0	18.0	18.1	19.7	19.3	17.8	18.7
Machinery, (Exc. Elec.)	1.8	1.8	1.8	1.7	1.8	1.7	1.9	1.8	1.7	1.7	1.5
Other Durable Goods	17.6	18.1	20.8	20.3	18.2	16.3	16.2	17.9	17.6	16.1	16.6
Nondurable Goods	24.0	23.4	23.0	21.7	21.5	22.0	22.1	21.3	21.4	20.7	19.2
Textiles	3.4	3.2	3.5	3.4	3.1	3.4	3.2	3.0	3.1	3.3	2.6
Paper	2.3	2.3	2.3	2.2	2.1	2.1	2.1	2.1	2.0	2.1	2.0
Rubber & Misc. Plastics	2.3	2.3	2.4	2.4	2.6	2.9	2.8	2.5	2.5	2.5	2.4
Leather	11.3	11.0	10.1	9.0	8.9	8.7	8.9	8.5	8.7	7.9	7.4
Other Nondurable Goods	4.7	4.6	4.7	4.7	4.8	4.9	5.1	5.2	5.1	4.9	4.8
Nonmanufacturing	31.2	31.9	32.7	34.4	34.7	35.3	36.4	38.3	40.2	41.8	42.7
Construction	1.9	2.0	2.1	2.2	2.1	2.0	2.0	2.0	2.0	1.9	2.0
Trans., Comm., Utilities	2.2	2.1	2.1	2.1	2.1	2.0	2.1	2.1	2.2	2.4	2.4
Trade	12.0	12.2	12.4	12.9	12.9	13.3	13.7	14.2	14.3	14.8	14.9
Fin., Ins., & Real Estate	1.9	2.0	2.0	2.1	2.1	2.1	2.1	2.2	2.3	2.4	2.4
Services, Misc. & Mining	6.5	6.8	7.1	8.1	8.3	8.4	8.6	8.9	9.3	9.7	9.7
Government	6.7	6.8	7.0	7.0	7.2	7.5	7.9	8.9	10.1	10.6	11.3
All Other Nonagriculture	8.0	8.2	8.4	8.0	7.8	7.5	7.1	6.9	6.6	6.4	6.3
Agriculture	1.0	1.0	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9
Labor Dispute	0	0	0	0	0.1	0	0.1	0	0.1	0	0

Source: B.L.S. Current Employment Series

Employment in the ordnance industry appears to be bottoming out after more than 18 months of decline, and may even improve a little during the coming year. In the textile products industry further decreases are expected because of another factory closing scheduled for early 1971. Irregular fluctuations in the garment industry, rather than the predictable series of ups-and-downs, can be expected to continue through the next fiscal year.

Paper manufacturers in the SMSA are showing contradictory indications. One paper mill is on short time, while another making pasteboard cartons is very busy. A large new factory making chemical products has opened in the area. Its employment, while not up to 1969 estimates, has added several hundred jobs in the SMSA and this industry as a whole is expected to continue steady.

In local rubber & plastics plants, employment dropped somewhat during the past few months due to lack of orders resulting from various causes, such as the labor-management dispute at General Motors plants nationally. However, recent estimates from some of the employing firms in the rubber and plastic products industry indicate that they anticipate an improvement in business to the extent that no further cutbacks are planned in the coming months. On the other hand, there is not so much complacency among the shoe manufacturers. Several of the leading shoe companies in the Lawrence office area report good business and a steady or slightly increasing work force. Yet, in the Haverhill office area a number of factories have closed completely and one large plant has "suspended operations" for an indefinite period. The Haverhill shops attribute their difficulties to competition of foreign-made shoes.

At this writing business is slow in the metal-working and non-electrical machinery plants in the Lawrence-Haverhill SMSA. Many of these shops catered to the machinery needs of the textile products industry which itself is presently at a low ebb in the area. Mixed trends are continuing in the electrical machinery industry. Plants, like the Western Electric Company, which are oriented mainly to producing material for civilian uses are maintaining steady, if not, peak employment. Other firms whose chief source of orders has been the government's military services are now at a low ebb of employment and not much change is to be expected in the near future.

Employment in the construction industry depends on the general availability of money for mortgage and building loans. For some time home building activity has been spotty in the Lawrence-Haverhill area, the same as it has been throughout much of the United States. It can be predicted that, with recent reductions of interest rates by a number of leading banks, more home building activity will be undertaken during 1971 than during the past year. Certain public construction projects such as new low-income housing in Lawrence and the Whittier Regional Vocational and Technical School in Haverhill office area will furnish some employment as soon as weather permits. Public Utilities employment will probably continue steady or increase a little through fiscal 1972.

At wholesale and retail trade establishments employment is expected to remain nearly steady or to increase slightly in view of new outlets being planned or built in private shopping centers or in urban redevelopment areas. In contrast to predictions in the last report of this type (March 1970) the outlook for the service industry has changed from one of decelerating expansion to one of continuing steady with slight expansion in certain categories, but with decreasing activity in the research and development sector of the service industry group.

The North Atlantic Internal Revenue Service Center, while hiring or recalling many clerical workers for processing income taxes in the next few months, is expecting diminished activity in the coming years because of the opening of a similar facility in New York state. Considering the continuing immigration by Spanish-speaking families into the central cities of the SMSA and the growing native population in the suburbs, the prospect is for continuing growth of employment in state and local government at least through the next fiscal year.

4. Employment Developments and Outlook by Occupation

Lawrence-Haverhill SMSA Job Openings Unfilled as of November 30, 1970*

Dot Code	Job Group	Unfilled Openings	
		Total	Open 30 Days or more
0,1	Professional, technical and managerial occupations	3	1
2	Clerical & Sales Occupations	99	72
3	Service Occupations	28	7
4	Farming, fishing, forestry and related occupations	1	0
5	Processing Occupations	8	6
6	Machine Trades Occupations	29	5
7	Bench work occupations	35	18
8	Structural work occupations	22	15
9	Miscellaneous occupations	51	13
	Total	276	137

* Most recent tabulation available

The most recent listing by occupational group of job openings on hand in the local DES offices shows that nearly 50 percent of the 276 openings listed in the Lawrence-Haverhill SMSA had been open for 30 days or more. Of the nine job groups, over 50 percent of those unfilled for 30 days or more were in the clerical and sales category. The next largest number (13 percent) was in "bench work" occupations. The third occupational category with a relatively large (10 percent) number of vacancies open over 30 days was the structural trades, including carpenters, iron workers, painters and electricians.

During the past few months the demand for workers in many industries has slowed. Yet up to November 1970 the demand lists have not changed much and the local newspapers still carry many advertisements for office workers, nurses and other medical technicians, salespeople, gasoline station attendants, and motel and restaurant workers.

Before making predictions on employment over the year ahead two other situations that have developed in the recent past should be mentioned. The shoe manufacturing industry, especially in the Haverhill office area, has experienced several plant closings during the past 24 months. Soon after the first closing occurred, there was a noticeable increase in claims for unemployment benefits, but following subsequent closings, the claims did not show a very substantial or abrupt increase. This leads to the conclusion that many older workers soon found other jobs or withdrew from the labor force, while younger workers probably changed to other industries. In addition to a sizeable reduction of employing units in the shoe industry, announcements from the Federal government indicate an intent to cut back work forces in nearby installations such as the Portsmouth, N.H. Navy Yard, the Boston Navy Yard, Bedford Airport, and Fort Devens all of which employ many civilian workers some of whom live in the Lawrence-Haverhill SMSA.

In view of the developments mentioned in the preceding paragraphs, it can be predicted that the Lawrence-Haverhill SMSA cannot look forward to any substantial gain in employment through the fiscal year 1972. It is probable that employment will continue at or near its present level for the coming year. Yet, in spite of the reductions expected in certain categories, demand for the very skilled professionals, especially medical and hospital workers, and some types of semi-skilled and low-skilled (and low-paid) workers can be expected to continue strong unless there is a drastic further decline in the national economic activity.

Although there has been an in-migration of an estimated 8,000 Spanish-speaking people during the past three or four years, this group has had no important impact on employment and unemployment in the SMSA. Certain plants have obtained some key personnel who are able to speak Spanish and little difficulty has been experienced in assimilating many Spanish-speaking people into the work force. The DES has obtained at least one Spanish-speaking interviewer who also functions as "minority group representative". Certain private organizations have established orientation centers for the migrants. Non-whites amount to one percent or less of the SMSA population. If the current business slow-down proves to be long-lasting, the employment offices and other social agencies may find some acute minority group problems to deal with, in regard to education, training, and placement activities designed to help minority group members who will come to form a disadvantaged or handicapped segment of the labor force. Another potential component of the area population who may need special assistance will be returned military veterans.

5. Recent Trends in Unemployment

For the first eleven months of 1970 the average number of unemployed workers in the Lawrence-Haverhill SMSA was 6,400 or 6.8 percent of the labor force. In 1969 the annual average number unemployed was 4,800 and the annual average rate was 5.2 percent. For 1970, in contrast to most previous years, the lowest total unemployment (4,800) occurred in the month of January, and also the lowest rate of unemployment (5.3 percent). During the previous two years, 1968 and 1969, the lowest unemployment and lowest rate occurred in April and May respectively. For 1968 the April rate was 4.0 percent with 3,800 workers totally unemployed, while for 1969 unemployment hit bottom in May, with 4,000 totally unemployed and a rate of 4.3 percent.

Through 1970 the number of unemployed has fluctuated erratically in comparison to the usual seasonal patterns. The six months from June through November showed some increases and some decreases but there was a basic contraseasonal uptrend. While the 1970 pattern of unemployment differed from the traditional seasonal pattern the peak, as usual, took place in July when factory vacation shutdowns were augmented by the beginning of long term layoffs in a number of industries.

The table following on this page shows by industry the principal sources of unemployment that has built up since January of 1969.

Industrial Sources of Increased Unemployment
in the Lawrence-Haverhill SMSA
January 1969 - December 1970

SIC CODE	Approximate No. of Employees Affected
22 Textile Products	1,450
28 Chemical Products	200
31 Leather & Leather Products	1,100
28 Electrical Machinery	550
Total	3,300

The firms included in these industry groups have laid off about 3,300 workers over the past two years through plant closings and reduced payrolls. These workers comprise a substantial proportion of the increase in the total number of unemployed (up to 8,100 in November 1970 from 4,700 in November 1969). The balance of the higher unemployment that has occurred over the year is made up of those from various industries that have been affected by the tapering off of government contracts for military and aerospace supplies, and by the nationwide decline in business activity. Seasonal factors such as the slow months at the North Atlantic Internal Revenue Service Center, the fall decrease in outdoor construction projects and trade and service related to recreation and tourism have also increased unemployment during the past three months.

The prospects for the calendar year 1971 and into fiscal 1972 are not at all encouraging. The long-term downtrend of employment in textile and shoe manufacturing, after a sharper downturn during the fall of 1970, seems to be leveling out a little, especially in shoe manufacturing, with the canceling of the closing of another large shoe shop in Haverhill and the continuing accession of workers with certain skills at other shops in both Haverhill and Lawrence.

As the state of the economy now stands, and as the available indications suggest, the unemployment rate in the Lawrence-Haverhill SMSA will probably continue in the vicinity of a 7.0 percent annual average and will probably climb much higher through the winter months of 1970-71 and 1971-72.

Up to the present time the Lawrence-Haverhill SMSA is not divided into target areas under any special manpower programs. Each of the two cities for which the area is named has some neighborhoods largely inhabited by Spanish-speaking newcomers (an estimated four percent of the population), but there have not yet been any unusual unemployment problems affecting these people. Some factories have employed multi-lingual individuals who act as interpreters and many of the in-migrants apparently arrived with some basic skills and could be utilized in textile, garment, and shoe factories. Much civic and language orientation has been organized for Spanish-speaking people by private and religious groups.

The nonwhite population in the area amounts to less than one percent and its members have not, so far, encountered any abnormal problems in respect to unemployment.

6. The Universe of Need for Manpower Services

The "universe of need for manpower services" is an expression coined to describe and include several groups of people in the area, people who would benefit from manpower services. The chief component groups in the universe of need are

- (1) the unemployed - people who have no job but are able to work, available for work, available for work and actively looking for work.
- (2) the underutilized workers who are employed only part-time, are working below their capabilities, or are working full time for pay considered to be less than needed to bring family income above the poverty or near poverty level.
- (3) persons not in the labor force but who should be.

The universe of need for manpower services in the Lawrence-Haverhill SMSA is estimated at about 33,950 for fiscal year 1972. The estimate includes 10,450 poor (8,500 disadvantaged and 1,950 other poor) and 23,500 non-poor of whom about 6,500 meet the near-poverty standard and some 17,000 that of "all other non-poor." Most of the components of the universe of need are somewhat higher for fiscal 1972 than for the previous year because of (1) the slowing down of general business activity and the closing of a number of shoe factories and textile plants has affected the poor and added to employment-related problems among the nonadvantaged (by age and educational or skill level) non-poor;

Table 1

Universe of Need for Manpower Services
Fiscal Year 19 72

Lawrence-Haverhill Mass. SMSABase Period Used FY 1970

Item	Number of Individuals	
	Base Period FY 1970	Planning Assumptions for FY 19 <u>72</u>
	I	II
1. Total Universe of Need for Manpower Services (Number of different individuals in year)	29,745	33,950
a. Poor	9,065	10,450
(1) Disadvantaged	7,455	8,500
(2) Other Poor	1,610	1,950
b. Nonpoor	20,680	23,500
(1) Near-Poverty	6,193	6,500
(2) All other Nonpoor	14,487	17,000
2. Unemployed and Underutilized Disadvantaged, Total	7,455	8,500
a. Unemployed	820	1,200
b. Underutilized	6,635	7,300
(1) Employed part-time for economic reasons	491	600
(2) Employed full-time but with family income at or below poverty level	5,453	5,900
(3) Not in labor force but should be	691	800

(2) expiration of government contracts for military and aerospace supplies and for research and development activities has affected the employment of many well-educated and highly skilled residents of the SMSA; (3) the inclusion of potential WIN applicants; (4) additional pin-pointing of under-represented groups in the universe of need for fiscal 1972 compared to fiscal 1971. Actual figures for the base year (fiscal 1970) and the estimates for fiscal 1972 are shown on Table I. (see page 15).

The universe of need figure of 33,950 is nearly 15 percent of the total population of the SMSA (1970 U.S. Census) and over 36 percent of the civilian workforce.

7. Characteristics of the Disadvantaged

Approximately 8,500 disadvantaged individuals, as noted in the Plan of Service Manpower Data Summary (page 17), will need employment related assistance during fiscal 1972. The people in this group are regarded as disadvantaged because (1) they are classified as poor; (2) they are members of poor families; (3) they are either under 22 or over 45 years of age, (4) they are school drop-outs; (5) they are minority group members; or (6) they are handicapped in some way. Some 1,200 (14.4 percent) of the disadvantaged are actually unemployed. About 6,500 (76.4 percent) are employed full time, but with family income below the poverty level. A third segment of the disadvantaged are those employed less than full time for economic reasons, especially school drop-outs and minority group members who lack training and experience for full time jobs.

Of those designated as disadvantaged, a large proportion are members of minority groups, especially Spanish-speaking who have migrated from Puerto Rico or Latin American countries. Recent estimates, arrived at by newspaper reporters writing features on the Spanish-speaking sectors of the communities, place the numbers of this minority at about 8,000 in Lawrence and from 500 to 1,000 in Haverhill. The negro population has not increased much since the time of the 1960 census and forms less than one percent of the SMSA population. Proportions of disadvantaged of certain characteristics are shown in the following text table.

LAWRENCE-HAVERHILL, MASSACHUSETTS - N.H. SMSA

Plan of Service Manpower Data Summary

Base Period Used FY 1970For Fiscal Year 1972

Item	Number of Individuals
	SMSA Total
1. Total Civilian Population (as of <u>1960</u>)	187,601
a. <u>Age Distribution:</u>	
16 through 21 years	13,114
22 through 44 years	52,442
45 years and over	66,510
b. <u>Members of Minority--Total</u>	1,716
16 years and over	1,169
2. Total Civilian Work Force (12 month average for year <u>FY 1970</u>)	93,200
a. Employed, Total (12 month average)	88,000
(1) Nonfarm Wage and Salary Workers	80,700
b. Unemployed (12 month average)	5,100
(1) Unemployment Rate	5.4
3. Universe of Need for Manpower Services for Fiscal Year Ending <u>1972</u> (From Table 1) (Number of different individuals in year)	33,950
a. Poor	10,450
(1) Disadvantaged	8,500
(2) Other Poor	1,950
b. Non-Poor	23,500
(1) Near-poverty	6,500
(2) All other Nonpoor	17,000
4. Unemployed & Underutilized Disadvantaged. by Category (12 month average) from Table 1	8,500
a. Unemployed	1,200
b. Underutilized	7,300
(1) Employed part-time for economic reasons	600
(2) Employed full-time, but with family income at or below poverty level	5,900
(3) Not in labor force but should be	800
5. Welfare Recipients	2,100
6. Estimated School Dropouts (Forecast period)	650
7. Estimated Number of Veterans Needing Manpower Services (Forecast period)	1,200

Characteristics of Selected Groups of Applicants for Work ^{1/}

<u>Applicant Group</u>	<u>Lawrence</u>	<u>Haverhill</u>	<u>SMSA</u>
<u>Disadvantaged Applicants</u>	376	251	627
<u>All Applicants</u>	3,840	1,803	5,607
<u>Highest School Grade Completed</u>	---	---	---
0-7	329	110	439
8-11	1,294	769	2,063
Negro	114	23	137
Spanish Surname	293	20	313
Under 22 Years of Age	803	367	1,170
45 Years of Age or Older	1,060	598	1,658
Handicapped	286	145	431

^{1/} Source-ESARS (Employment Security Automated Reporting System) for the period ending November 30, 1970

8. Characteristics of Individuals Other Than the Disadvantaged in the Universe of Need

Many workers in the universe of need are not disadvantaged, but are either unemployed or underutilized. The garment industry, the leather and leather products industry, along with contract construction are all characterized by seasonal employment. In the past these three industries experienced a slow season in the winter. More recently the business fluctuations in garment and shoe manufacturing has tended to vary from that pattern, and have occurred at irregular intervals because of sudden demands of style changes. For this reason many workers in these industries often find themselves having a short workweek or a temporary lay-off. Yet, most such workers do not want to change employers or to change their line of work just for the purpose of obtaining full-time, year-round work. They count on collecting some unemployment insurance as part of their annual incomes.

During the past few years, the North Atlantic Internal Revenue Service Center has caused a change in the seasonal pattern of government employment. A large clerical work force, mainly women in the 22 to 45 year age group and with, at least, high school education, are hired on a temporary basis during the peak months of processing income tax returns. The greater part of these clerical workers are from non-poor families.

The construction workers, predominantly males between the ages of 22 and 45, are displaced from their jobs in winter because of cold or stormy weather.

Since these men work at uniformly high wages the rest of the year, they are satisfied to accept unemployment insurance benefits for a few months each winter rather than to seek temporary employment in industries for which they have no skills or experience. Another group of underutilized workers is composed mainly of female workers in the electrical machinery industry. During slow periods most of these women prefer to wait for recall to their last job (according to seniority) rather than to change employers or type of work in the interest of finding full-time, year-round work.

9. Barriers to Employment of the Disadvantaged

One of the chief barriers to employment by the disadvantaged workers in the Lawrence-Haverhill SMSA is a lack of knowledge of the English language, a serious problem among the Spanish-speaking and some French-Canadians who have recently migrated into the area. These groups are further handicapped by unfamiliarity with American ways of living, with transportation seeming to pose a particular problem.

Many older workers with only limited education are finding this lack to be a hindrance in securing the better paying jobs they seek in an effort to maintain their standard of living. Similarly, many older workers displaced from the continually contracting textile and shoe industries find that their skills, though expert in their old jobs, are obsolete or inapplicable in the newer industries that are developing in the area.

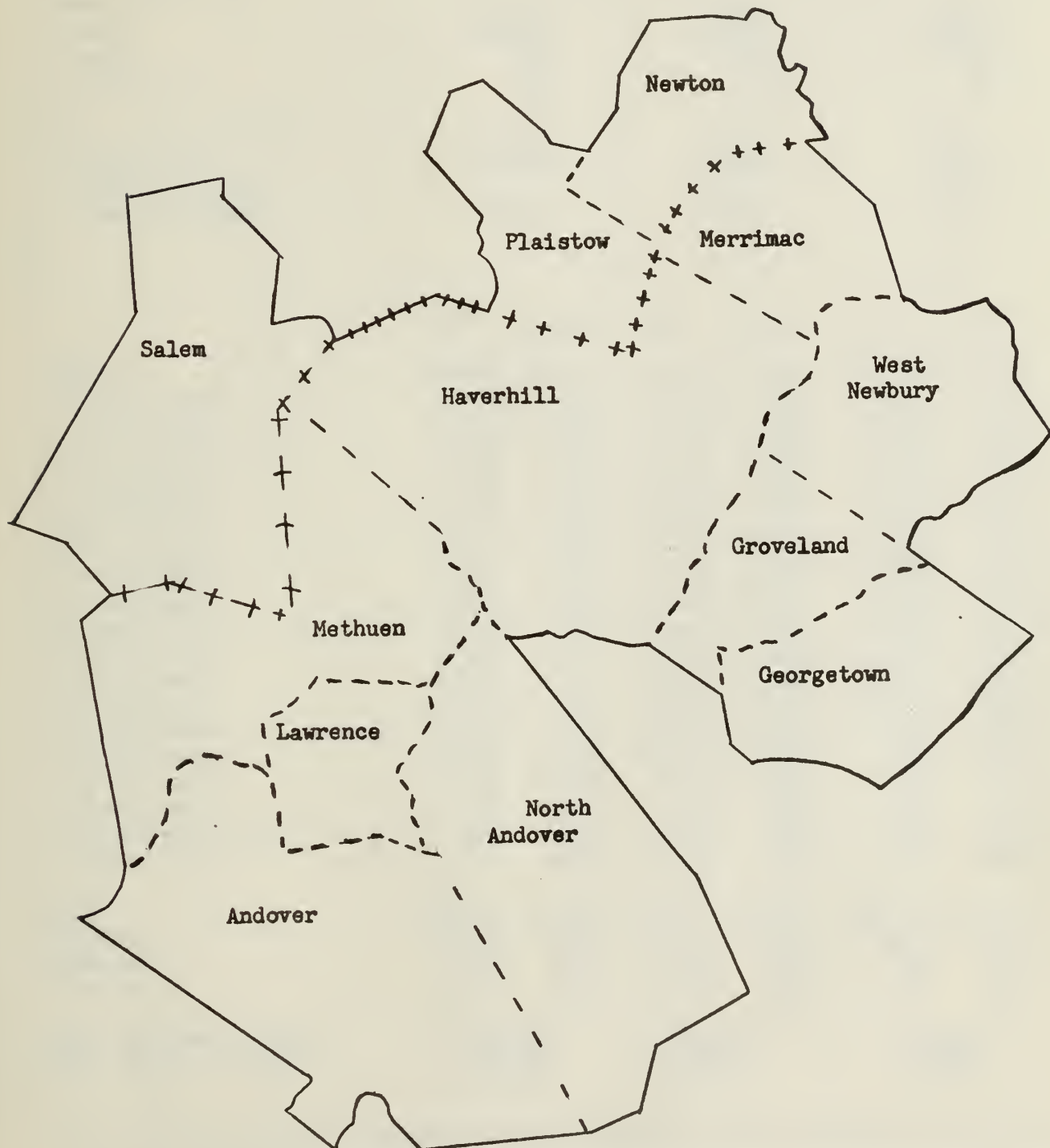
The WIN (Work Incentive) program has "teams" in both the Lawrence and Haverhill DES offices to furnish a number of employment-related services to AFDC (Aid for Dependant Children) recipients. Participants for this program must be referred from the State welfare offices. The most frequent barriers to employment to WIN applicants have been the lack of conveniently located day-care centers for children and a lack of sufficiently frequent and inexpensive local public transportation.

A P P E N D I X

Standard Metropolitan Statistical Area

Legend

- SMSA boundary
- ♦ ♦ ♦ State boundary
- - - Town boundary



**THE COMMONWEALTH OF MASSACHUSETTS
DIVISION OF EMPLOYMENT SECURITY**

**Appendix Table I
Lawrence-Haverhill SMSA
Population Characteristics - 1960 ***

Category	Lawrence- Haverhill SMSA	Lawrence	Haverhill			
Total Population	187,601	70,933	46,346			
White	186,743	70,547	46,031			
Negro	691	308	286			
Other Race	167	78	29			
Total Foreign Stock	83,546	37,469	17,584			
Foreign Born	23,328	11,385	4,725			
Native, Foreign or Mixed Parentage	60,218	26,084	12,859			
	Male	Female	Male	Female	Male	Female
Total	89,485	98,116	33,775	37,158	21,638	24,708
Under 5 years	9,656	9,118	3,553	3,294	2,326	2,207
5-9 years	8,852	8,500	3,039	2,967	2,072	1,981
10-14 years	8,322	8,209	2,999	2,936	1,878	1,991
15-19 years	5,903	6,372	2,157	2,355	1,419	1,725
20-24 years	4,014	4,759	1,664	1,956	1,016	1,264
25-29 years	4,851	5,024	1,937	1,833	1,185	1,213
30-34 years	5,371	5,864	1,893	2,104	1,251	1,371
35-39 years	6,233	6,853	2,259	2,562	1,414	1,565
40-44 years	6,366	6,878	2,342	2,558	1,469	1,635
45-49 years	5,929	6,404	2,283	2,445	1,322	1,515
50-54 years	5,158	5,733	1,956	2,205	1,238	1,451
55-59 years	4,558	5,320	1,863	2,271	1,136	1,351
60-64 years	4,089	5,272	1,609	2,139	1,086	1,448
65-69 years	3,861	4,882	1,591	2,023	1,057	1,371
70-74 years	2,993	4,033	1,281	1,648	818	1,138
75-79 years	1,962	2,457	854	1,033	515	730
80-84 years	902	1,427	356	532	261	440
85 years and over	465	921	139	297	175	312
Median Age	32.9	35.9	34.1	37.2	33.7	36.9
White	89,080	97,663	33,587	36,960	21,500	24,531
Median Age	33.0	35.9	34.1	37.3	33.7	37.0
Nonwhite	405	453	188	198	138	177
Median Age	26.1	28.3	21.3	22.1	29.7	30.7
Total Population 1950	184,788		80,536		47,280	
Total Population 1940	178,404		84,323		46,752	

* Does not include Georgetown, Merrimac, West Newbury, Mass., or Newton, N.H.
added to SMSA 1963

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DIVISION OF EMPLOYMENT SECURITY

Appendix Table II
Lawrence-Haverhill SMSA
Skill Levels and Education - 1960

Category	State	Lawrence- Haverhill SMSA	Lawrence	Haverhill
Total Employed	2,000,312	78,776	29,992	20,199
Professional, Technical and Kindred	256,539	8,294	2,636	1,710
Managers, Offs. and Proprietors	153,998	5,342	1,304	1,324
Clerical and Kindred	325,690	11,049	4,480	2,429
Sales Workers	146,372	4,796	1,816	1,108
Craftsmen, Foremen and Kindred	279,196	10,202	3,507	2,591
Operatives and Kindred	436,010	25,570	10,433	8,150
Private Household Workers	27,824	719	179	191
Service Workers exc. Private Household	171,278	5,754	2,497	1,310
Laborers, Except Mining	86,567	2,690	1,235	545
Occupation Not Reported	116,838	4,360	1,905	841
Years of School Completed				
Persons 25 years old and over	3,010,617	113,992	44,066	28,508
No School Years Completed	83,429	4,104	2,586	732
Elementary 1 to 4 years	96,629	4,504	2,446	1,063
5 to 7 years	342,450	15,858	7,384	3,692
8 years	467,746	22,103	9,240	5,664
High School 1 to 3 years	604,373	21,925	7,790	6,537
4 years	868,508	29,879	10,363	7,353
College 1 to 3 years	282,080	8,910	2,532	2,172
4 years or more	265,402	6,709	1,752	1,295
Median School Years Completed	11.4	10.4	9.1	10.4

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DIVISION OF EMPLOYMENT SECURITY

Appendix Table III
Lawrence-Haverhill SMSA
Long-Term Labor Force Trends for Various Groups - 1960 *

Category	SMSA	Lawrence	Haverhill
Male, 14 years and Over	63,959	24,653	15,676
Labor Force	50,101	18,593	12,603
Participation Rate	78.3	75.4	80.4
Civil Labor Force	49,974	18,523	12,576
Employment	48,163	17,683	12,115
Unemployment	1,811	840	461
Unemployment Rate	3.6	4.5	3.7
Not in Labor Force	13,858	6,060	3,073
 Females, 14 years and over	 73,619	 28,456	 18,853
Labor Force	31,751	12,825	8,352
Participation Rate	43.1	45.1	44.3
Employment	30,613	12,309	8,084
Unemployment	1,138	516	268
Unemployment Rate	3.6	4.0	3.2
Not in Labor Force	41,868	15,631	10,501
Married women in			
Labor Force-Husband Present	17,610	6,816	4,389
With own children under 6	3,551	1,511	881

* Information not available for prior years

SOURCES OF INFORMATION

1. The 1960 U. S. Census and the 1970 U. S. Census
2. The Massachusetts State Census for 1955 & 1965

Note: The Massachusetts State Census figures cannot be compared directly with those from the U. S. Census because they are a count of residents for voting lists and taxation purposes rather a count of residents at any given time.

3. Population Movements in Massachusetts 1966-1965 published by the Massachusetts Department of Commerce and Development (November, 1966)

MA 20-27: LH/972

ANNUAL MANPOWER PLANNING REPORT

Lawrence - Haverhill, Massachusetts -

New Hampshire SMSA

January 1972

*Commonwealth of Massachusetts
January 1972*

THE COMMONWEALTH OF MASSACHUSETTS
DIVISION OF EMPLOYMENT SECURITY
HERMAN V. LAMARK, DIRECTOR
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U.S. DEPARTMENT OF LABOR

ANNUAL MANPOWER PLANNING REPORT

JANUARY 1972

STANDARD METROPOLITAN STATISTICAL AREA

LAWRENCE-HAVERHILL, MASSACHUSETTS - N. H. SMSA

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TABLE OF CONTENTS

	Page
1. Highlights and Conclusions.	1
2. Description of Area	2
a. Definition of Area-Location and Geographical Features	2
b. Economic Developments and Outlook.	2
c. Population Characteristics	3
3. Employment Developments and Outlook by Industry.	6
4. Employment Developments and Outlook by Occupation.	9
5. Recent Trends in Unemployment	10
6. The Universe of Need for Manpower Services.	12
7. Characteristics of the Disadvantaged.	12
8. Characteristics of Individuals Other Than the Disadvantaged in the Universe of Need.	15
9. Barriers to Employment of the Disadvantaged	16

Appendix

Map: Lawrence-Haverhill, Massachusetts New Hampshire SMSA	19
Appendix Table I Lawrence-Haverhill, Massachusetts -New Hampshire SMSA, Population by Age and Sex	20
Appendix Table II Lawrence-Haverhill, Massachusetts - New Hampshire SMSA, Population by Race.	20
Appendix Table III Lawrence-Haverhill, Massachusetts-New Hampshire SMSA, Population Characteristics - 1970	21
Sources of Information	22

LIST OF TABLES

Tables	Page
1. Lawrence-Haverhill, Massachusetts- New Hampshire SMSA Comparison of Population Data Over the Decade 1960-1970	4
2. Lawrence-Haverhill, Massachusetts - New Hampshire SMSA Population Trends of Cities and Towns in the Massachusetts Portion of the Lawrence-Haverhill, Massachusetts- New Hampshire SMSA	5
3. Lawrence-Haverhill, Massachusetts- New Hampshire SMSA Civilian Work Force Annual Average - 1961-1971	7
4. Lawrence-Haverhill, Massachusetts- New Hampshire SMSA Job Openings Unfilled as of December 31, 1971	9
5. Lawrence-Haverhill, Massachusetts- New Hampshire SMSA Industrial Sources of Increased Unemployment in the Lawrence- Haverhill SMSA June 1970 - June 1971.	11
6. Lawrence-Haverhill, Massachusetts- New Hampshire SMSA Universe of Need for Manpower Services.	13
7. Lawrence-Haverhill, Massachusetts- New Hampshire SMSA Plan of Service Manpower Data Summary.	14
8. Lawrence-Haverhill, Massachusetts- New Hampshire SMSA Characteristics of Selected Groups of Applicants for Work	15

1. Highlights and Conclusions

The Universe of need for manpower services in the Lawrence-Haverhill SMSA is estimated at 47,500 for the fiscal year 1973. The estimate includes 11,000 poor (9,200 disadvantaged and 1,800 other poor) and 36,500 nonpoor of whom about 9,300 meet the near poverty standard and 27,200 that of "all other nonpoor".

The population of the SMSA has increased from 199,136 at the time of the 1960 U.S. Census to 232,415 according to the final figures of the 1970 census. This is an increase of 14.3 percent, all of which occurred in the suburban towns, not in the central cities. The cities of Lawrence and Haverhill lost population by 5.6 percent and 0.5 percent respectively. The suburban towns showed gains in population of from 22.2 percent in West Newbury up to 63.2 percent in Groveland among the Massachusetts towns. The town of Salem, N.H. gained a phenomenal 118.7 percent in population over the 10 year period.

During the past year the annual average unemployment rate for the SMSA has risen from 6.5 percent for 1970 to 9.3 percent for 1971. The causes of the increase were the cumulative effects of the national business recession and the closing down of a number of factories that had been employing substantial numbers of people in textile, paper, and shoe manufacturing.

The U.S. Census of 1970 has not yet broken out a figure on the numbers of people in the SMSA by country of origin. Local officials estimate some 8,000 Spanish-speaking residents in the Lawrence office area and about 1,500 in the Haverhill office area and nearly all reside in the central cities.

In the Lawrence-Haverhill SMSA Negroes comprise 0.9 percent and other non-white races 0.3 percent of the population.

The annual average unemployment rate for fiscal year 1971 was 8.4 percent. Inasmuch as the annual average unemployment rate for the calendar year 1971 was 9.3 percent, the rate for fiscal 1972 will probably be 9.0 percent or higher. The estimated number of unemployed for the month of December 1971 was 9,100 and there will probably be a larger number at mid-January and mid-February before the 1972 seasonal work begins to pick up.

The main barriers to employment affecting the disadvantaged workers in the Lawrence-Haverhill SMSA are lack of knowledge of the English language, low educational and skill levels, a dearth of child-care facilities, infrequent public transportation, and just now, a very limited number of job openings.

2. Description of Area

a. Definition of Area -- Location and Geographical Features

The Lawrence-Haverhill, Massachusetts-N.H. SMSA is located in northeastern Massachusetts and southeastern New Hampshire. It includes the cities of Lawrence and Haverhill; the towns of Andover, Georgetown, Groveland, Merrimac, Methuen, North Andover, and West Newbury in Essex County, Massachusetts; also the towns of Newton, Plaistow, and Salem in Rockingham County, New Hampshire (see map in appendix).

In this SMSA there is no CEP activity nor any Model Cities program in effect.

b. Economic Developments and Outlook

During the past twelve months the unemployment rate for the Lawrence-Haverhill SMSA stayed in the 8.1 to 9.2 percent range with the exception of July 1971 when it climbed to a peak of 12.2 percent. The latter peak was reached as a result of annual vacation shutdowns coming on top of indefinite layoffs in several local industries.

Some factory closings adversely affected employment in the Lawrence-Haverhill SMSA during 1971. In February the Loomweave Division of Congoleum Nairn moved to Oklahoma, displacing nearly 250 workers. Then, at the end of April, the Oxford Paper Company discontinued operations at its Lawrence plant, resulting in unemployment for about 500 workers. In the early fall Seymour Shoes, Inc. in Haverhill went out of business. In addition to the companies that closed down during the past year, sizeable layoffs occurred at certain other plants, especially in the nonelectrical and electrical machinery industries. The closing of textile and shoe plants has reduced the demand for new machines and replacement parts, leading to reduction of force at Davis and Furber Machine Company, Bolton-Emerson and the Hamblet Machine Co. The last named specialized in papermaking machinery and consolidated all except one department in its Maine plant. Two firms in fabricated metals manufacturing have been undergoing a long term slump in orders. The electrical machinery industry has had a rather disappointing year. One firm that supplies ordnance components seems to have stabilized its employment compared to the preceding two or three years, but firms that manufacture other types of electric and electronic equipment have been in the doldrums. Even Western Electric, the largest single employer in the SMSA, laid off several hundred production workers beginning in mid-October 1971.

In nonmanufacturing industries unemployment has become rather widespread. Contract construction has followed its seasonal pattern in the area, but apparently with less than the usual number of workers, since unemployment claims from construction workers continued rather high through the summer, with many workers on benefits for over 15 weeks, and eventually going on to extended benefits. Wholesale and retail trade employment varied little through 1971 compared to 1970. There was a slight increase in the annual average employment in the service industry in 1971 compared to 1970, but this did not extend to the research and development sector where unemployment continued high not only for technical personnel, but also for workers who had been in clerical positions.

Government employment now follows a different pattern in the Lawrence-Haverhill SMSA than in most areas because of the peak clerical employment in late winter and early spring at the North Atlantic Internal Revenue Service Center. In the near future the number of temporary jobs at this facility is expected to decline as a result of the transfer of some of its work to new centers being built in other sections of the country.

The economic difficulties which have driven up the unemployment rate in the Lawrence-Haverhill SMSA may be traced to divergent factors such as foreign competition in textile and shoe manufacturing; Federal Government efforts to control inflation by reducing expenditures for military and space supplies along with associated research and development activities. The pace of urban renewal and other construction projects has proved much slower than expected because of controversies over what types of buildings should be put up to replace those torn down. The uncertainties faced by private business in the area have retarded the implementation of any construction plans they may have considered. Zoning controversies have blocked or delayed some private housing construction plans.

The outlook for improvement in general economic conditions or other than seasonal increases in employment does not seem encouraging at this writing. Even higher unemployment may be expected through the winter in other than service and government occupations where winter racing at Rockingham Park and income tax processing at the I.R.S. Center will furnish additional employment for two groups of workers. Inasmuch as nationwide economic indicators and an upward trend in the capital market are now discernible to business analysts, perhaps a long-term revival of business prospects and orders for factory products may be expected by the second and third quarter of 1972.

c. Population Characteristics

From the accompanying tables based on the 1955 and 1965 state census (the latest available) it can be seen that the Lawrence-Haverhill SMSA gained in population during that period. Similar comparisons cannot yet be obtained from a comparison of the 1960 and 1970 federal census. Details of births and deaths and other details for towns of less than 10,000 population have not been made public. However, a table showing the population differences between 1960 and 1970 in the Massachusetts part of the SMSA is included to demonstrate the extent of the "population explosion" in the suburban towns.

Table 1

Comparison of Population Data Over the Decade 1960-1970*

Lawrence-Haverhill, Massachusetts-N.H. SMSA

	<u>1970</u> (Revised)	<u>1960</u>	<u>Change 1960 to 1970</u>	
			Number	Percent
Total	232,415	199,136	33,279	14.3
Central Cities	113,035	117,279	-4,244	- 3.6
Lawrence	66,915	70,933	-4,018	- 5.6
Haverhill	46,120	46,346	- 226	- 0.5
Suburban Towns in Essex County, Mass.				
Andover Town	23,695	17,134	6,561	38.3
Georgetown Town	5,290	3,755	1,535	40.9
Groveland Town	5,382	3,297	2,085	63.2
Merrimac Town	4,245	3,261	984	30.2
Methuen Town	35,456	28,114	7,342	26.1
North Andover Town	16,284	10,908	5,376	49.2
West Newbury Town	2,254	1,844	410	22.2
In Rockingham County, N.H.				
Newton Town	1,920	1,419	501	35.3
Plaistow Town	4,712	2,915	1,797	61.6
Salem Town	20,142	9,210	10,932	118.7

* Source U.S. Census of Population

Commonwealth of Massachusetts
Division of Employment Security

Table 2

Population Trends of Cities and Towns
in the Massachusetts Portion of the
Lawrence-Haverhill, Massachusetts-N.H. SMSA

SMSA	1970	1960	Increase or Decrease
Totals	205,641	185,592	+20,049
Andover	23,695	17,134	+ 6,561
Georgetown	5,290	3,755	+ 1,535
Groveland	5,382	3,297	+ 2,085
Haverhill	46,120	46,346	- 226
Lawrence	66,915	70,933	- 4,018
Merrimac	4,245	3,261	+ 984
Methuen	35,456	28,114	+ 7,342
North Andover	16,284	10,908	+ 5,376
West Newbury	2,254	1,844	+ 410

The census tables indicate that over both the ten-year periods shown the central cities lost population, but all the suburban towns gained. The cities have been losing population both by an excess of deaths over births and by out-migration. Simultaneously the suburban towns grew from immigration brought about both by the exodus from the central cities and by migration from other parts of the country to the extent that many technical personnel followed the opening of new plants in the SMSA by firms where they were already employed. The other main change in population in the area in the past decade has been the thronging into the central cities of Spanish-speaking families especially from Puerto Rico, but also from a total of 21 Latin American countries.

Although hampered by a language difficulty, many of the immigrants apparently arrived with certain marketable skills or trades and were willing to accept the wages offered. They also found that many services were available to them from governmental units. Still not available from the 1970 census are facts about minority groups as to country of origin, mother tongue, employment status, or income bracket. At present those concerned with the Spanish-speaking community are estimating the number of this group in Lawrence at about 8,000 and at some 1,500 in Haverhill.

3. Employment Developments and Outlook by Industry

For 1971 the annual average nonagricultural employment stood at 82,000, down by 2,100 from the 1970 annual average of 84,100. The trend was down in all manufacturing categories as shown in the accompanying table. However, there was a rise of 700 (44,500 to 45,200) in the number employed in nonmanufacturing industries for the year 1971, compared to 1970. An increase from 10,500 to 10,700 in employment in service industries from 1970 to 1971 was neutralized by an equal reduction in the number in contract construction, so that the effective increase in nonmanufacturing employment was concentrated in government employment, which increased by 700 during 1971. A large proportion of the increase in government employment was in temporary clerical work at the North Atlantic Internal Revenue Service Center during the peak period for processing income tax returns. A lessening of this contra-seasonal impetus to employment is expected in subsequent years, because some of the IRS work is to be transferred to a new facility being built in New York State. In addition the Andover IRS center has installed office machinery which speeds up the work done there, making the "work-year" noticeably shorter for temporary employees. With an expanding suburban population, local government employment has increased to meet the requirements for schools, police, and other town services, along with some special municipal projects which were undertaken during the year.

Employment in the ordnance industry appeared to have bottomed out and even risen a little during 1971. A large ordnance firm in the area expects employment to remain fairly stable in the near future, with modest additions to staff possible later in 1972.

TABLE 3

LAWRENCE-HAVERHILL, MASSACHUSETTS - N. H. SMSA
Civilian Work Force Annual Average - 1961 to 1971
(in 000's)

ITEM	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971
Civilian Work Force	90.9	93.1	93.4	91.5	90.0	90.1	92.9	95.4	96.5	97.8	98.6
Unemployment	6.5	5.5	6.4	6.4	5.9	4.8	4.8	4.5	4.9	6.5	9.1
Percent of Work Force	7.2	5.9	6.9	7.0	6.6	5.3	5.2	4.7	5.1	6.6	9.3
Employment - Total	84.4	87.6	87.0	85.0	84.1	85.2	88.1	90.8	91.6	91.3	89.5
Nonagricultural Wage & Salary #	75.2	78.3	78.1	76.3	75.7	77.2	80.3 ^s	83.3	84.3	84.1	82.0
Manufacturing - Total	43.3	45.6	43.7	41.6	40.4	40.8	41.8	42.4	41.5	39.6	36.8
Durable Goods	19.9	22.6	22.0	20.1	18.4	18.7	20.5	20.2	19.4	19.4	18.6
Machinery (Exc. elec.)	1.8	1.8	1.7	1.9	2.1	2.5	2.6	2.5	2.7	2.2	1.8
Other Durable Goods	18.1	20.8	20.3	18.2	16.3	16.2	17.9	17.7	16.7	17.2	16.8
Nondurable Goods	23.4	23.0	21.7	21.5	22.0	22.1	21.3	22.2	22.1	20.2	18.2
Textiles	3.2	3.5	3.4	3.1	3.4	3.2	3.0	3.1	3.5	2.9	2.3
Paper	2.3	2.3	2.2	2.1	2.1	2.1	2.1	2.0	2.0	1.9	1.5
Rubber & Misc. Plastics	2.3	2.4	2.4	2.6	2.9	2.8	2.5	2.6	2.7	2.5	2.2
Leather	11.0	10.1	9.0	8.9	8.7	8.9	8.5	8.7	7.5	6.8	6.5
Other Nondurable Goods	4.6	4.7	4.7	4.8	4.9	5.1	5.2	5.8	6.4	6.1	5.7
Nonmanufacturing - Total	31.9	32.7	34.4	34.7	35.3	36.4	38.6	40.9	42.8	44.5	45.2
Construction	2.0	2.1	2.2	2.1	2.0	2.0	2.0	2.2	2.3	2.5	2.3
Trans., Comm., Utilities	2.1	2.1	2.1	2.1	2.0	2.1	2.1	2.3	2.6	2.7	2.7
Trade	12.2	12.4	12.9	12.9	13.3	13.7	14.2	14.5	15.0	15.1	15.1
Fin., Ins., & Real Estate	2.0	2.0	2.1	2.1	2.1	2.1	2.2	2.3	2.3	2.4	2.4
Services, Misc., & Mining	6.8	7.1	8.1	8.3	8.4	8.6	9.2	9.4	10.0	10.5	10.7
Government	6.8	7.0	7.0	7.2	7.5	7.9	8.9	10.2	10.6	11.3	12.0
All Other Nonagriculture 1/	8.2	8.4	8.0	7.8	7.5	7.1	6.9	6.6	6.4	6.3	6.5
Agriculture	1.0	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	1.0
Persons involved in Labor Disputes	0	0	0	0.1	0	0.1	0	0.1	0	0	0

Source: BLS Current Employment Series * Does not add due to rounding
1/ Nonagricultural self-employed, unpaid family workers, and domestic workers in private households.

During 1971 a large plant that manufactured high grade paper closed down. Another one that makes packaging materials changed ownership and some reduction in force occurred there before and after the change. On the other hand, a manufacturer of pasteboard cartons has maintained its staff and seems to have a steady market for its products.

Employment in chemicals and in rubber and plastics has continued fairly steady through 1971, after recovering from some temporary layoffs that accompanied business uncertainties in 1970. Reports from these firms indicate fairly steady employment is anticipated for the next few months, subject to normal seasonal variations.

Except for one more shoe shop closing, employment in the leather and leather products industry has not changed much over the year. During 1971 employment in the shoe industry got at least a temporary boost as a result of (1) the longshoremen's labor-management dispute and (2) the surcharge that was imposed on imports as part of the federal government's program for dealing with international monetary problems. Certain shoe firms in the Lawrence-Haverhill SMSA and some outside, such as in Newburyport, are in the market for help in certain occupations and would increase their production up to 25 percent if they could recruit an adequate force. However, shoe and textile work has come to have a reputation as being hard work for low pay and young people do not apply as long as they see any hope of getting work in electronics, nonelectrical machinery, or other industries that seem more attractive to them.

Business has been slow and much unemployment has occurred in the fabricated metals and nonelectrical machinery industries over the past year. There seems to be little tangible evidence to indicate much improvement in the near future. In the electrical machinery industry, which includes the largest single employing unit in the Lawrence-Haverhill SMSA, there were important layoffs during the year 1971. At this writing the downtrend seems to be slowly reversing itself and moderate improvement in electrical machinery industry employment is expected to continue in 1972.

The construction industry, especially in regard to privately-financed housing and other types of building construction is expected to generate more employment in 1972 than in 1971 as a result of lowered interest rates and more mortgage money available at savings banks and cooperative banks. Some government building projects are underway in the area and it can be hoped that additional urban renewal construction will actually begin, but many projects still have to finally overcome opposition from such groups as building code enforcement agencies, adjoining property owners, zoning authorities, ecologists and other "pro-bono-publicos".

Wholesale and retail trade establishments enjoyed an unexpectedly brisk Christmas trade and now look forward to consumers continuing in a mood more favorable to spending. More shopping centers are planned in the area in locations that should enhance the retail trade during the coming year. During 1971 there was continuing deceleration in the research and development sector of the service industry. As the talents of people affected by layoffs in research and development are applied more to civilian problems through the medium of government-financed emergency employment, a little pick-up may be expected all through the service industry.

4. Employment Developments and Outlook by Occupation

Lawrence-Haverhill SMSA Job Openings Unfilled as of December 31, 1971

Table 4

DOT Code	Job Group	Unfilled Job Openings	
		Total	Open 30 Days or More
	TOTAL	445	221
0,1	Professional, Technical and Managerial Occupations	22	12
2	Clerical and Sales Occupations	217	165*
3	Service Occupations	40	13
4	Farming, Fishing, Forestry	1	0
5	Processing Occupations	15	7
6	Machine Trades Occupations	37	16
7	Bench Work Occupations	65	6
8	Structural Work Occupations	16	0
9	Miscellaneous Occupations	32	2

* Includes 150 temporary openings at IRS

The most recent listing by occupational group of job openings in the Lawrence-Haverhill DES offices shows that nearly 50 percent of the 445 openings have been open for 30 days or more. Of the jobs listed as open 30 days or more, nearly 75 percent are in the clerical group, and most will be at the North Atlantic Internal Revenue Service Center. However, these IRS jobs are temporary and there is no definite starting date. The openings in other occupational groups that have been open 30 days or more are largely in shortage occupations such as nursing or garment and shoe stitching, or else are listed at or near minimum wage levels. In recent weeks the demand for workers, as indicated by classified advertisements in the local press has increased a little over a year ago, and includes experienced office workers, medical service workers, salespeople, gasoline station attendants, and some skilled tradesmen for factory maintenance, automobile repairing, etc. Such openings may be offering low pay rates or undesirable working hours. There is also a suspicion that some advertisers just want to test the market or to build up an application file in case of a future rush order.

In the Haverhill office area, it has been difficult to interest former shoe workers in job openings because of an extension of unemployment benefits and because they have or may receive sizeable payments under provisions of the Trade Expansion Act. This act allows both companies and unemployed workers to collect benefits in cases where a factory closed because of the impact of foreign imports. For the moment the shoe factories still in operation have picked up some unexpected orders as a result of the prolonged dock workers' strike and the import surcharge that was imposed to help control the international monetary imbalance. It is uncertain whether this increased demand will continue in view of the monetary agreements that have now been worked out with other countries by the United States Government.

There is as yet very little basis on which to predict the job market by occupations over the next year because so much seems to depend on the state of the national economy. In manufacturing, employers suggest their hiring will be mostly for replacements for the foreseeable future. Shoe and garment stitchers are in demand in the Lawrence-Haverhill SMSA. In electrical machinery a limited number of assemblers and other production employees are being hired, but nearly all are from among former employees who had been laid off.

5. Recent Trends in Unemployment

The average number of unemployed workers in the Lawrence-Haverhill SMSA during 1971 was 9,100, or 9.3 percent of the labor force. By comparison, for 1970 the average number of unemployed was 6,500, which, in turn was 6.6 percent of the labor force. While seasonal variations in unemployment during the previous year (1970) proved erratic with no seasonal pattern visible, those of 1971 reverted to what was more standard for the area, but at a higher level

all through the year compared to the few years prior to 1970. Starting with a winter high unemployment rate of 9.5 percent in January, the rate fell to 8.0 percent, the low point of the year in April. In May it began to climb again because of the closing of the Oxford Paper Company's plant. The rate continued upward in June, boosted by students seeking summer jobs and graduates joining the full-time labor force. On top of everything so far, July brought the annual vacation shut-downs in many firms pushing the unemployment rate to the year's high of 12.2 percent. After July the unemployment receded a little in August, September, and October as students returned to school and economic conditions began a perceptible basic improvement. November and December saw further increases in unemployment as contract construction slowed down along with other outdoor industries.

The following table shows by industry the principal sources of unemployment that built up since June 1970:

Industrial Sources of Increased Unemployment
in the Lawrence-Haverhill SMSA
June 1970 - June 1971

Table 5

SIC Code	Industry	Approximate No. of Employees Affected
22	Textile Products	-1,132
23	Apparel	- 492
26	Paper and Paper Products	- 434
30	Rubber and Plastics	- 172
31	Leather and Leather Products	- 235
34	Fabricated Metals	- 105
35	Nonelectrical Machinery	- 464
36	Electrical Machinery (including ordnance)	-1,178
50-59	Wholesale and Retail Trade	- 203

Source: ES-202, Employment and Wages Tabulation

6. The Universe of Need for Manpower Services

"The Universe of Need for Manpower Services" is an expression coined to include several groups of people who live or work in the SMSA and need employment-related services. The chief groups are:

- (1) the unemployed -- people who have no job, but are able to work, available for work, and actively looking for work.
- (2) the underutilized workers who are employed part-time, or are working full-time for pay that is producing family income below the poverty level.
- (3) persons not in the labor force but who should be.

The "Universe of Need for Manpower Services" in the Lawrence-Haverhill SMSA is estimated at 47,500 for fiscal year 1973. The estimate includes 11,000 poor (9,200 disadvantaged and 1,800 other poor) and 36,500 nonpoor of whom about 9,300 meet the near-poverty standard and 27,200 that of "all other nonpoor". Most of the components of the Universe of Need are even higher for fiscal 1973 than for the previous year because of the continued stagnation of business activity and additional factory closings or layoffs that have taken place in the interim. Figures for the base year (fiscal 1971) and the estimates for 1973 are shown on Table I (see page 13).

The Universe of Need figure (47,500) is a bit over 20 percent of the total population of the SMSA.

7. Characteristics of the Disadvantaged

Approximately 8,850 disadvantaged individuals, as noted in the Plan of Service Manpower Data Summary (page 14), will need employment-related assistance during fiscal 1973. The people in this group are regarded as disadvantaged because (1) they are classified as poor; (2) they are members of poor families; (3) they are either under 22 or over 45 years of age; (4) they are school drop-outs; (5) they are minority group members; or (6) they are handicapped. Some 1,200 (13.6 percent) of the disadvantaged are unemployed. About 5,600 (63.3 percent) are employed full-time, but with family income below the poverty level. A third segment of the disadvantaged includes those employed less than full-time for economic reasons, especially school drop-outs and minority group members who lack training and experience for full-time jobs.

Table 6

(Table 1)

Universe of Need for Manpower Services
Fiscal Year 1973

Lawrence-Haverhill, Massachusetts SMSABase Period Used 1971

Item	Number of Individuals	
	Base Period	Planning
	FY 1971	Assumptions for FY 1973
	I	II
1. Total Universe of Need for Manpower Services (Number of different individuals in year)	44,500	47,500
a. Poor	10,130	11,000
(1) Disadvantaged	8,370	9,200
(2) Other Poor	1,760	1,800
b. Nonpoor	34,370	36,500
(1) Near-Poverty	8,460	9,300
(2) All other Nonpoor	25,910	27,200
2. Unemployed and Underutilized Disadvantaged Total	8,360	8,850
a. Unemployed	1,040	1,200
b. Underutilized	7,320	7,650
(1) Employed part-time for economic reasons	570	650
(2) Employed full-time but with family income at or below poverty level	5,410	5,600
(3) Not in labor force but should be	1,140	1,400

Lawrence-Haverhill, Massachusetts SMSA
Plan of Service Manpower Data Summary

Base Period Used FY 1971

For Fiscal Year 1973

Item	Number of Individuals SMSA Total
1. Total Civilian Population (as of 1970) ^{1/}	205,641
a. Age Distribution:	
16 through 21 years	19,716
22 through 44 years	53,057
45 years and over	72,330
b. Members of Minority - Total	11,500
Spanish Surname	9,500
2. Total Civilian Work Force	
(12 month average for year FY 71)	98,200
a. Employed, Total (12 month average)	90,000
(1) Nonfarm Wage and Salary Workers	82,600
b. Unemployed (12 month average)	8,200
(1) Unemployment Rate	8.4
3. Universe of Need for Manpower Services for Fiscal Year Ending 1973 (Number of different individuals in year)	47,500
a. Poor	11,000
(1) Disadvantaged	9,200
(2) Other Poor	1,850
b. Non-Poor	36,500
(1) Near-poverty	9,300
(2) All other Nonpoor	27,200
4. Unemployed & Underutilized Disadvantaged: by category (12 month average)	8,850
a. Unemployed	1,200
b. Underutilized	7,650
(1) Employed part-time for economic reasons	650
(2) Employed full-time, but with family income at or below poverty level	5,600
(3) Not in labor force but should be	1,400
5. Welfare Recipients	3,054
6. Estimated School Dropouts (Forecast period)	700
7. Estimated Number of Veterans Needing Man- power Services (Forecast period)	1,700

^{1/} Based on 1970 Census Data

Of those designated as disadvantaged, many are members of minority groups, especially Spanish-speaking who have migrated from Puerto Rico or Latin American countries. Current estimates of the Spanish-speaking population are 8,000 in Lawrence and 1,500 in Haverhill. The 1970 U.S. Census showed 303 Negroes in Lawrence and 129 in Haverhill.

Proportions of the various groups of disadvantaged persons according to certain characteristics are shown in the following text table.

Characteristics of Selected Groups of Applicants for Work 1/

Table 8

Applicant Group	Lawrence	Haverhill	SMSA
Disadvantaged Applicants	485	252	737
All Applicants	4,759	2,594	7,353
Highest School Grade Completed	--	--	--
0-7	413	154	567
8-11	1,671	1,048	2,719
Negro	152	19	171
Spanish Surname	288	17	305
Under 22 Years of Age	952	506	1,458
45 Years of Age or Older	1,512	915	2,427
Handicapped	489	277	766
Veterans	1,125	574	1,699

1/ Source: ESARS (Employment Security Automated Reporting System) for the period ending November 30, 1971

8. Characteristics of Individuals Other Than the Disadvantaged in the Universe of Need

Many workers in the Universe of Need, while not disadvantaged, are either unemployed or underutilized. The apparel industry, the leather and leather products industry, as well as the contract construction industry are all characterized by seasonal employment. In the past these three industries all experienced a slow season in the winter. More recently the business fluctuations in garment and shoe manufacturing have become less practicable, occurring at irregular intervals because of sudden style changes. For this reason many workers in these industries often find themselves having a short work week or a temporary layoff. Yet, most such workers do not want to change employers or to change their line of work just to secure full-time, year-round work. They, therefore count on collecting some unemployment compensation as part of their annual income.

During the past few years, the North Atlantic Internal Revenue Service Center has caused a change in the seasonal pattern of employment for clerical workers in government employment. A large work force, mainly women in the 22 to 45 year age bracket and with, at least, high school education, are hired on a temporary basis during the peak months of processing income tax forms. The greater part of these clerical workers are from non-poor families.

The construction workers, predominantly males, between the ages of 22 and 45, are displaced from their jobs in winter because of cold or stormy weather. Since these men work at uniformly high wage rates the rest of the year, they are satisfied to accept unemployment compensation benefits for a few months each winter rather than to seek temporary employment in indoor work in which they have no skills or experience.

Another group of underutilized workers is composed largely of female workers in the electrical machinery industry. During slow periods most of these women prefer to wait for recall to their last job (according to seniority) rather than to change employers or type of work in order to obtain full-time year-round jobs.

9. Barriers to Employment of the Disadvantaged

One of the chief barriers to employment affecting disadvantaged workers in the Lawrence-Haverhill SMSA is a lack of knowledge of the English Language, a real problem for Spanish-speaking and French-Canadians who have recently migrated into the area. These groups are further handicapped by unfamiliarity with American ways of living, with transportation seeming to pose a particular problem.

Many older workers with only limited education are finding this lack to be a hindrance in securing the better-paying jobs they seek in an effort to maintain their standard of living. Similarly, many older workers displaced from the continually contracting textile and shoe manufacturing industries find that, though they were experts in their old jobs, their skills are obsolete in more modern factories or inapplicable in newer industries that come into the area.

The WIN (Work Incentive) Program has "teams" of employment counsellors and job developers in both the Lawrence and Haverhill DES offices to furnish a number of employment-related services to AFDC (Aid for Dependent Children) recipients. Participants in this program must be referred from the State Welfare offices. The most frequent barriers to employment for WIN applicants have been the lack of conveniently located day-care centers for children and the lack of sufficiently frequent and inexpensive local public transportation.

Last, but not least, a currently important barrier to employment in the Lawrence-Haverhill area is a lack of job openings. Besides the nationwide business recession, the large textile and shoe industry employers have

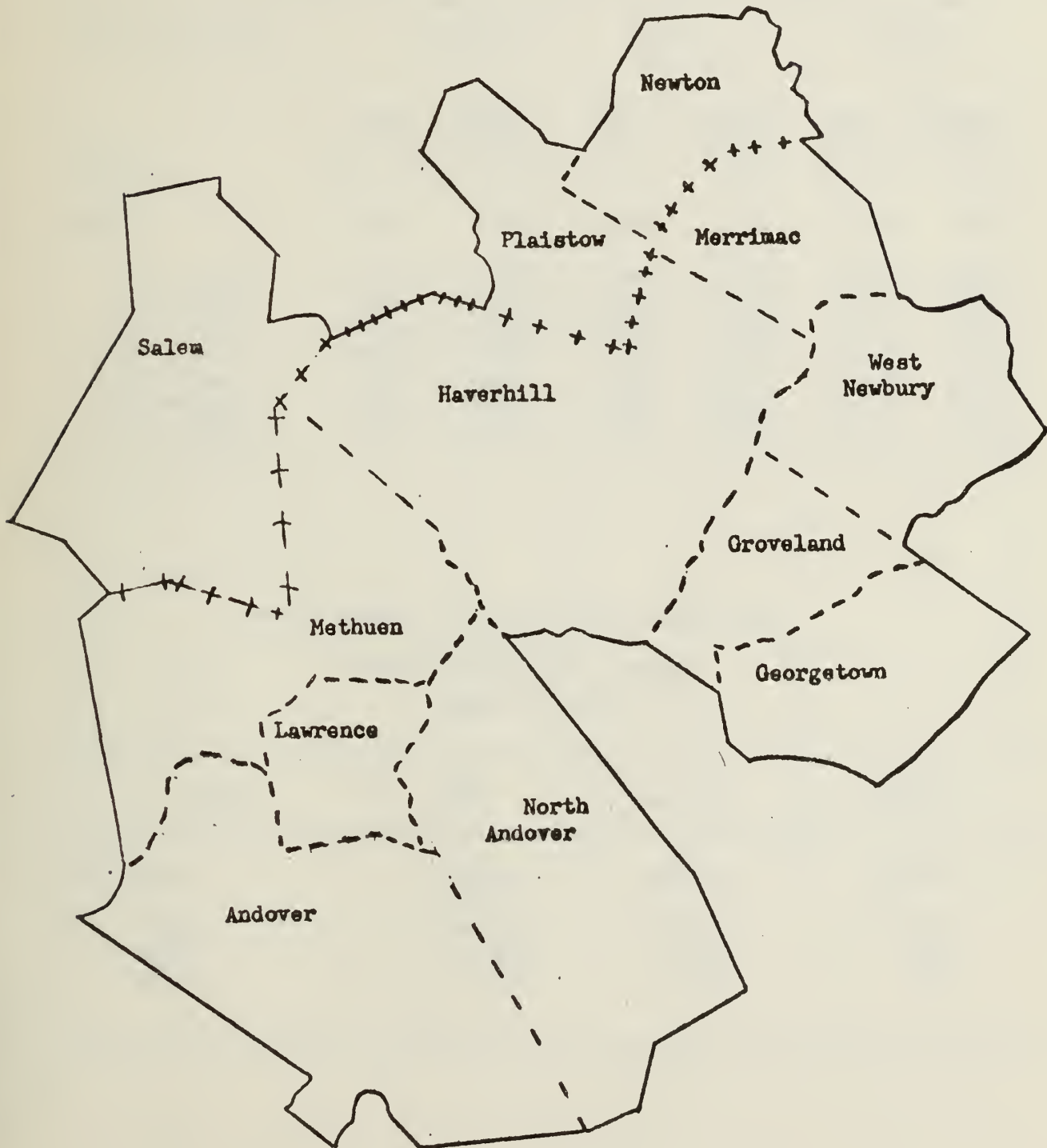
been suffering from competition by foreign-made products. Employment at electrical machinery and ordnance firms has been in a slump for three reasons: (1) lack of private demand because of business recession; (2) cutting back of government purchases of military and space supplies; and (3) competition from foreign made inexpensive electronic components.

A P P E N D I X

Standard Metropolitan Statistical Area

Legend

- SMSA boundary
- + + + State boundary
- - - Town boundary



Lawrence-Haverhill, Massachusetts-N. H. SMSA
Population by Age and Sex
(From the 1970 U.S. Census)

Appendix Table I

	SMSA		Lawrence		Haverhill	
Total Population	232,415		66,915		46,120	
	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>
All Ages	111,124	121,291	31,441	35,474	21,426	24,693
Under 5	10,317	9,849	2,839	2,782	1,968	1,855
5-14 years	23,367	22,151	5,841	5,665	4,307	4,189
15-24 years	17,200	19,012	5,177	5,689	3,275	13,829
24-34 years	13,181	13,507	3,569	3,458	2,258	2,384
35-44 years	12,356	12,853	2,955	3,160	2,159	2,374
45-54 years	13,500	14,911	3,884	4,516	2,594	3,003
55-64 years	10,530	12,161	3,377	4,057	2,181	2,652
65 and over	10,673	16,847	3,799	6,147	2,684	4,408

Lawrence-Haverhill, Massachusetts-N.H. SMSA
Population by Race
(From the 1970 U.S. Census)

Appendix Table II

Race	SMSA	Lawrence	Haverhill
All Races	232,415	66,915	46,120
White	230,446	65,930	45,557
Negro	1,321	682	434
Other	748	303	129

THE COMMONWEALTH OF MASSACHUSETTS
DIVISION OF EMPLOYMENT SECURITY

Appendix Table III
Lawrence-Haverhill SMSA
Population Characteristics - 1970

Category	Lawrence- Haverhill SMSA 1/	Lawrence	Haverhill
TOTAL POPULATION	205,641	66,915	46,120
White	203,672	65,930	45,557
Negro	1,307	682	434
Other Races	662	303	129

	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>
TOTAL	97,679	107,083	31,441	35,474	21,427	24,693
Under 5 years	8,820	8,461	2,839	2,782	1,968	1,855
5 and 6 years	3,986	3,824	1,203	1,151	843	824
7 to 9 years	6,168	5,843	1,752	1,695	1,341	1,283
10 to 13 years	8,021	7,644	2,259	2,259	1,717	1,645
14 years	2,010	1,912	627	560	406	436
15 years	1,994	1,855	585	558	426	377
16 and 17 years	3,718	3,478	1,111	1,022	821	757
18 and 19 years	2,987	3,570	968	1,145	626	981
20 years	1,370	1,746	503	613	247	390
21 years	1,214	1,633	472	616	247	335
22 to 24 years	4,063	4,626	1,538	1,735	908	989
25 to 34 years	11,111	11,411	3,569	3,458	2,258	2,384
35 to 44 years	10,623	11,223	2,955	3,160	2,159	2,374
45 to 54 years	12,056	13,509	3,884	4,516	2,594	3,003
55 to 59 years	5,323	5,971	1,892	2,125	1,185	1,370
60 and 61 years	1,905	2,260	687	847	427	522
62 to 64 years	2,358	3,001	798	1,085	569	760
65 to 74 years	5,858	9,003	2,246	3,589	503	2,374
75 years and over	4,094	6,992	1,553	2,558	1,181	2,034

1/ Only the Massachusetts Part of the SMSA

SOURCES OF INFORMATION

1. The 1960 U. S. Census and the 1970 U. S. Census
2. The Massachusetts State Census for 1955 & 1965

Note: The Massachusetts State Census figures cannot be compared directly with those from the U. S. Census because they are a count of residents for voting lists and taxation purposes rather a count of residents at any given time.

3. Population Movements in Massachusetts 1966-1965 published by the Massachusetts Department of Commerce and Development (November, 1966)

MASS

MA 80-87: L14/973

ANNUAL MANPOWER PLANNING REPORT

**JANUARY
1973**



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**Lawrence - Haverhill, Massachusetts -
New Hampshire SMSA**

THE COMMONWEALTH OF MASSACHUSETTS
DIVISION OF EMPLOYMENT SECURITY
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U.S. DEPARTMENT OF LABOR

ANNUAL MANPOWER PLANNING REPORT

LAWRENCE-HAVERHILL, MASSACHUSETTS-N.H. SMSA

STANDARD METROPOLITAN STATISTICAL AREA

JANUARY 1972

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TABLE OF CONTENTS

Body of Report	Page
1. Highlights and Conclusions	1
2. Description of Area	2
a. Definition of Area -- Location and Geographical Features	2
b. Economic Developments and Outlook	2
c. Population Characteristics	3
3. Employment Developments and Outlook by Industry . . .	4
4. Employment Developments and Outlook by Occupation	7
5. Recent Trends in Unemployment	9
6. The Universe of Need for Manpower Services	11
7. Characteristics of the Disadvantaged	12
8. Characteristics of Individuals Other than the Disadvantaged in the Universe of Need	16
9. Barriers to Employment of the Disadvantaged	16

LIST OF TEXT TABLES

	Page
Tables	
Lawrence-Haverhill, Massachusetts - New Hampshire SMSA Comparison of Population Over the Decade 1960-1970	3
Lawrence-Haverhill, Massachusetts - New Hampshire SMSA Civilian Work Force Annual Averages 1962-1972	5
Merrimack Valley Job Bank Substation Unfilled Job Openings as of December 31, 1972	8
Lawrence-Haverhill, Massachusetts - New Hampshire SMSA, Industries of Last Attachment of the Totally Unemployed Week Ending December 23, 1972	10
Lawrence-Haverhill, Massachusetts - New Hampshire SMSA Universe of Need for Manpower Services	13
Lawrence-Haverhill, Massachusetts - New Hampshire SMSA Plan of Service Manpower Data Summary	14
Lawrence-Haverhill, Massachusetts - New Hampshire SMSA Characteristics of Selected Groups of Applicants for Work	15

APPENDIX

	Page
Map	
Lawrence-Haverhill, Massachusetts - New Hampshire SMSA	18
Table I	
Lawrence-Haverhill, Massachusetts - New Hampshire SMSA, Population by Race, Age, and Sex	19
Sources of Information	20

1. Highlights and Conclusions

For the fiscal year 1974 the Universe of Need for Manpower services in the Lawrence-Haverhill SMSA is estimated to be 34,250. This projection includes 5,850 poor (4,650 disadvantaged and 1,200 other poor), 28,400 nonpoor of whom 7,200 meet the "near poverty" standard, and 21,200 classed as "all other nonpoor."

The annual average unemployment in the Lawrence-Haverhill SMSA was 9.3, compared to 9.2 for 1971. However, by the last four months of 1972 the rate had dropped to 8.0 percent or less which was lower than any month except May in 1971. Although there has been no spectacular surge of reemployment, it is believed that unemployment in the Lawrence-Haverhill SMSA has passed its peak for the business recession that began about mid-1970.

The largest single occupational group to be unemployed at any time during the year is composed of female clerical workers who are employed at the North Atlantic Internal Revenue Service Center during the season of processing income tax returns.

The largest group of men unemployed at any time during the year is composed of construction tradesmen whose work is curtailed during the winter months.

Although an undercount may have occurred, the U.S. Census of 1970 revised figures show the Spanish-speaking portion of the SMSA population to be substantially below the numbers used in estimates made prior to publication of Census data.

In the Lawrence-Haverhill SMSA the total non-white population amounts to less than 1.0 percent of the total population.

Important barriers to employment affecting disadvantaged persons in the Lawrence-Haverhill area are lack of knowledge of the English language, low educational and skill levels, inadequate availability of day care centers where working mothers can leave pre-school children, and a lack of frequent, inexpensive public transportation service, especially to and from suburban sources of employment.

2. Description of Area

a. Definition of Area -- Location and Geographical Features.

The Lawrence-Haverhill, Massachusetts - N.H. SMSA is located in north-eastern Massachusetts and southeastern New Hampshire. It includes the cities of Lawrence and Haverhill; the towns of Andover, Georgetown, Groveland, Merrimac, Methuen, North Andover and West Newbury in Essex County, Massachusetts; also the towns of Newton, Plaistow, and Salem in Rockingham County, New Hampshire (see Map in Appendix).

In this SMSA there is no CEP activity nor any Model Cities program in effect.

b. Economic Developments and Outlook

For the year 1972 the unemployment rate in the Lawrence-Haverhill area ranged from 7.5 percent to 11.4 percent, or an annual average of 9.3 percent. As always, the number of unemployed workers reached its peak in July (11,300, or 11.4 percent of the work force).

The SMSA did not have to absorb the disheartening number of factory closings during 1972 that occurred in each of the previous three years. The Andal Shoe Company in Haverhill, and the Nashua Footwear Corp. in Lawrence shut down, as did the last J. P. Stevens textile mill in the Lawrence office area, but most other companies stayed in business although with reduced staffs. Western Electric, the largest single employer in the SMSA, made a drastic reduction in force late in 1971, but recalled many of its former workers about 10 months later. The Raytheon Company, a subcontractor for Western Electric in government defense supplies, was "slack" through most of 1971. Late that year and throughout the first 11 months of 1972, Raytheon began building up its employment quite substantially.

Firms in other categories of manufacturing held their own or gained a little during 1972. In most cases these increases in employment are a result of better nation-wide business activity. Even the much dispa-
raged textile industry managed to increase its employment in 1972 above its 1971 low. At present Malden Mills in Lawrence is the only large textile firm in the SMSA and it is continually seeking more workers with certain skills.

The outlook for 1973 is for a continued upward trend in economic activity, with small to moderate increases in employment. In contrast to the mass lay-offs that began in mid-1969 with the closing of some shoe factories in Haverhill, textile plants in Lawrence, and a large paper mill in Lawrence, any mass hiring in manufacturing industries is not looked for in 1973. However, if some of the proposed new shopping centers are actually built, along with the building up of new businesses in the downtown urban renewal areas and industrial parks, there could be considerably more employment in the trade, service, and construction industries.

C. Population Characteristics

From the accompanying text table based on the 1960 and 1970 federal census it can be seen that the Lawrence-Haverhill SMSA gained in population during that ten-year period. However, both central cities -- Lawrence and Haverhill -- had small losses compared to the substantial gains in the suburban towns of the area.

Lawrence-Haverhill, Massachusetts-N.H. SMSA
Comparison of Population Data Over the Decade 1960-1970*

	1970 (Revised)	1960	Change 1960 to 1970	
			Number	Percent
Total	232,415	199,136	33,279	14.3
Central Cities	113,035	117,279	-4,244	-3.6
Lawrence	66,915	70,933	-4,018	-5.6
Haverhill	46,120	46,346	- 226	-0.5
Suburban Towns in Essex County, Mass.				
Andover Town	23,695	17,134	6,561	38.3
Georgetown Town	5,290	3,755	1,535	40.9
Groveland Town	5,382	3,297	2,085	63.2
Merrimac Town	4,245	3,261	984	30.2
Metheun Town	35,456	28,114	7,342	26.1
North Andover Town	16,284	10,908	5,376	49.2
West Newbury Town	2,254	1,844	410	22.2
In Rockingham County, N. H.				
Newton Town	1,920	1,419	501	35.3
Plaistow Town	4,712	2,915	1,797	61.6
Salem Town	20,142	9,210	10,932	118.7

* Source U.S. Census of Population

3. Employment Developments and Outlook by Industry

In the Lawrence-Haverhill SMSA the 1972 annual average of nonfarm employment as shown in Table 3, was up slightly above that for 1971 (82,200 compared to 82,000). A downtrend continued through the year in manufacturing employment as a whole. However, the last four months showed successive increases in employment in durable goods manufacturing. These increases resulted from an improvement in the all-round business climate leading to more or larger orders from plants in the Lawrence-Haverhill area.

Employment in the ordnance industry increased noticeably through the year 1972. After one change in the international disarmament plans, a prediction was made that 500 workers might be laid off, but this had not occurred by year's end. In a recent newspaper canvas of area industries, ordnance firm officials have stated that the work at this plant is mostly on defensive weapon parts and should not be affected by the end of hostilities in Viet Nam.

Firms in other industries that supply some weapon parts indicated that these products were only a fraction of their output and they did not expect employment to be severely affected by a cease-fire agreement. Business has continued rather steadily in fabricated metals and in nonelectrical machinery, but at a somewhat lower level than for the several years preceding mid-1970. Employment in electrical machinery manufacturing, like that in ordnance, has risen rather consistently throughout 1972. This industry includes the largest single employer in the SMSA, and, since no defense contracts are now involved, it appears that employment will continue near the level achieved at year's end.

Employment in nondurable goods firms averaged slightly lower in 1972 than for the year 1971 (18,000 compared to 18,200), as personnel reductions continued in the shoe industry and all other categories except textile products and rubber and plastics whose average employment for the year 1972 was up by 200 and 100 respectively. The one large textile mill still operating in the SMSA manufactures imitation fur material which is currently finding a good market. The pick-up in rubber and plastics, mainly reflected better nation-wide business conditions and development of new uses for plastic products. Incidentally, a plastics company has broken ground for a new factory in the Haverhill office area.

Table 3
LAWRENCE HAVERHILL, MASSACHUSETTS - N. H. SMSA
Civilian Work Force Annual Average - 1962 to 1972
(in 000's)

ITEM	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971	1972
Civilian Work Force	93.1	93.4	91.5	90.0	90.1	92.9	95.4	96.5	97.8	98.6	98.6
Unemployment	5.5	6.4	6.4	5.9	4.8	4.8	4.5	4.9	6.5	9.1	9.2
Percent of Work Force	5.9	6.9	7.0	6.6	5.3	5.2	4.7	5.1	6.6	9.3	9.3
Employment - Total	87.6	87.0	85.0	84.1	85.2	88.1	90.8	91.6	91.3	89.5	89.4
Nonagricultural Wage & Salary #	78.3	78.1	76.3	75.7	77.2	80.3 ^s	83.3	84.3	84.1	82.0	82.2
Manufacturing - Total	45.6	43.7	41.6	40.4	40.8	41.8	42.4	41.5	39.6	36.8	36.4
Durable Goods	22.6	22.0	20.1	18.4	18.7	20.5	20.2	19.4	19.4	18.6	18.4
Machinery (Exc. elec.)	1.8	1.7	1.9	2.1	2.5	2.6	2.5	2.7	2.2	1.8	1.8
Other Durable Goods	20.8	20.3	18.2	16.3	16.2	17.9	17.7	16.7	17.2	16.8	16.6
Nondurable Goods	23.0	21.7	21.5	22.0	22.1	21.3	22.2	22.1	20.2	18.2	18.0
Textiles	3.5	3.4	3.1	3.4	3.2	3.0	3.1	3.5	2.9	2.3	2.5
Paper	2.3	2.2	2.1	2.1	2.1	2.1	2.0	2.0	1.9	1.5	1.3
Rubber & Misc. Plastics	2.4	2.4	2.6	2.9	2.8	2.5	2.6	2.7	2.5	2.2	2.3
Leather	10.1	9.0	8.9	8.7	8.9	8.5	8.7	7.5	6.8	6.5	6.2
Other Nondurable Goods	4.7	4.7	4.8	4.9	5.1	5.2	5.8	6.4	6.1	5.7	5.7
Nonmanufacturing - Total	32.7	34.4	34.7	35.3	36.4	38.6	40.9	42.8	44.5	45.2	45.8
Construction	2.1	2.2	2.1	2.0	2.0	2.0	2.2	2.3	2.5	2.3	2.1
Trans., Comm., Utilities	2.1	2.1	2.1	2.0	2.1	2.1	2.3	2.6	2.7	2.7	3.0
Trade	12.4	12.9	12.9	13.3	13.7	14.2	14.5	15.0	15.1	15.1	15.0
Fin., Ins., & Real Estate	2.0	2.1	2.1	2.1	2.1	2.2	2.3	2.3	2.4	2.4	2.5
Services, Misc., & Mining	7.1	8.1	8.3	8.4	8.6	9.2	9.4	10.0	10.5	10.7	10.9
Government	7.0	7.0	7.2	7.5	7.9	8.9	10.2	10.6	11.3	12.0	12.3
All Other Nonagriculture 1/	8.4	8.0	7.8	7.5	7.1	6.9	6.6	6.4	6.3	6.5	6.3
Agriculture	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	1.0	0.9
Persons Involved in Labor Disputes	0	0	0.1	0	0.1	0	0.1	0	0	0	0

Source: BLS Current Employment Series
1/ Nonagricultural self-employed, unpaid family workers, and domestic workers in private households.

Among the nonmanufacturing industries contract construction and whole-sale and retail trade showed employment down from the previous year, but all other categories were slightly higher. Although quite a lot of building demolition and construction was evident in the area, there was very little heavy construction such as new highway building. The Merrimack River bridge on interstate route 93 was being widened from four lanes to six lanes. One of the Merrimack River bridges in downtown Haverhill was partially rebuilt during 1972. These were the only major highway projects in the area. The reduction in trade employment amounted to only 100 jobs out of 15,000 over the year. Some stores closed as shopping patterns changed and some converted to the self-service system, requiring only stockmen and cashiers.

Employment increased in transportation, communications, and utilities with the building of a number of new installations in the SMSA. The largest of these was a multi-story building in Lawrence which will house facilities for improved switching of long distance telephone calls. With a little better financial climate and an increase in building activities, employment in finance, insurance, and real estate inched up during 1972 from 2,400 to 2,500. In conformance with the national trend, service industry employment, gained 200 in 1972. Yet, the research and development sector of the service industry has not recovered from its sharp decline of mid-1970. A few of the long term unemployed professional and skilled workers, apparently living on some type of extended benefits, and presumably from their savings, are among the backlog of hard-to-place applicants registered in the Lawrence and Haverhill DES offices. Even though federal government employment in the SMSA is subject to wide variations because of seasonal clerical work at the I.R.S., the annual average of all government employment made a gain of 300 (from 12,000 to 12,300) in 1972.

The general outlook for employment into fiscal 1974 in the Lawrence-Haverhill SMSA is for continuing general, but slow, improvement compared to the past two years. It appears that employment in ordnance and in related durable goods industries will be holding its own or picking up over the next several months. While machine shops that used to cater to textile mills and shoe factories continue to be slow, firms making other types of nonelectrical machinery, particularly computer components, seem to be headed for some increase in employment. Higher employment than has been occurring in electrical machinery manufacturing seems destined to continue for the foreseeable future in the Lawrence-Haverhill SMSA, since many of the products are for civilian use.

The outlook for nondurable goods is not as clear as the outlook for durables. The only large textile mill in the area is presently going against that industry's long term trend. The firm is seeking experienced

workers in several categories and this situation is expected to continue for the near future, as the current product is finding a good market.

Among other nondurable goods manufacturing, only rubber and plastics showed over-the-year gains in employment, a new plastics plant is being built in Haverhill and a company in Lawrence is known to be working on classified material that may help maintain increased employment. In spite of the reopening of a paper products plant that closed over 18 months ago, paper production was down over the year, and the new company has found it difficult to recruit the number of workers its management would like. This does not augur well for the near future for employment in the paper goods industry.

Nonmanufacturing employment can be expected to continue a slow but steady rise for the next year or so. The one category that may languish is contract construction, especially road and bridge building. When work is started on a new Merrimack River bridge for interstate route 95, many workers from the Lawrence-Haverhill area may be placed in jobs on that project. No other heavy construction is in sight. Building demolition, rehabilitation and construction in connection with urban renewal and private projects would furnish work for a lot of tradesmen if progress could be made from plans to action by overcoming continual bickering and opposition that originates with zoning boards, adjoining property owners, and amateur ecologists.

National trends forecast a continuance of higher employment in other nonmanufacturing industries. New shopping centers will make openings for workers in trade and associated service businesses. The continued growth of the area's tourist and recreation-related businesses will make for at least some increase in employment in these categories. In spite of the plans for lower budgets for government activities, population growth in the area will tend to nullify any substantial and lasting reductions in government employment, and this writer anticipates continuing growth in such things as police and fire protection, refuse disposal, and recreation-related government services.

4. Employment Developments and Outlook by Occupation

Late in 1972 the Massachusetts Division of Employment Security opened a Job Bank substation at the Lawrence office that is used to match applicants with available job openings. This Job Bank installation covers job vacancies and available applicants for the Merrimack Valley section of Massachusetts, including the Lowell SMSA, the Lawrence-Haverhill SMSA, and the Newburyport Labor area. Table 4 shows the most

Table 4

Merrimack Valley Job Bank Substation
Unfilled Job Openings
As of December 31, 1972

DOT CODE	Job Group	Unfilled Job Openings		Rates of Hourly Pay Offered In					
				Openings Unfilled For 30 Days or More		Other Than			
		Total	Open 30 Days or More	\$1.60 and Under	\$1.61 to \$2.49	\$2.50 to \$3.39	\$3.40 and Over	Other Than Hrly. Basis	
	Total	1,225	757	18	453	122	80	84	
0,1	Professional, Technical and Managerial Occupations	112	68	2	25	9	15	17	
20-24	Clerical	126	80	0	56	6	0	18	
25-29	Sales	121	106	0	91	2	8	5	
30	Domestic	16	10	2	5	0	0	3	
31-39	Other Service Occupations	113	54	1	29	3	0	21	
4	Farming, Forestry, and Fisheries	18	17	0	14	3	0	0	
5	Processing Occupations	57	19	0	5	10	4	0	
6	Machine Trades Occupations	227	153	4	65	56	22	6	
7	Bench Work Occupations	227	135	8	104	14	6	3	
8	Structural Work Occupations	65	41	0	6	10	20	5	
90-91	Motor Transportation	34	17	0	4	7	1	5	
92	Packaging and Material Handling	98	51	1	47	2	0	1	
93-97	Miscellaneous Occupations	11	6	0	2	0	4	0	

Source: ESARS (Employment Service Automated Reporting System) December 31, 1972

recent listing of openings listed in the Merrimack Valley Job Bank. Of a total of 1,225 openings 757 (nearly 62 percent) have been open for 30 days or more.

The occupational groups with the largest numbers of openings unfilled for 30 days or more were clerical and sales, service, machine trades, and bench work occupations. It can be noted, however, that in most instances the bulk of the openings unfilled for 30 days or more were in the pay scales close to or even below, the Massachusetts legal minimum wage of \$1.85 an hour for factory work. Inasmuch as the national business outlook is for increasing employment throughout most of 1973, the outlook for employment in the SMSA is brighter than in 1971 and 1972 in most occupational groups with the exception of leather products which as yet shows no signs of reversing the secular downtrend. However, judging by the rate of economic recovery during the past few months, business and employment in the Lawrence-Haverhill SMSA will follow the nation-wide trend, but probably at a conspicuously slower rate. Whereas recovery in the country as a whole may approach a boom over the next several months, employment in any of the occupational groups in Table 4 can be expected to make rather slow, but, hopefully, steady progress back toward its early 1970 level.

5. Recent Trends in Unemployment

For the year 1972, the average number of unemployed in the Lawrence-Haverhill SMSA was 9,200 which was 100 higher than the 1971 average. However, beginning in September the average number of unemployed dropped below 9,000 for the first time during the year and did not go up again above 8,000 for the remainder of the year. The unemployment rate fluctuated between 7.5 percent (October) and 11.4 percent (July), but, after declining to 8.0 percent in September, did not exceed that figure the rest of the year. Throughout the year unemployment followed the seasonal pattern that has developed in recent years. Unemployment is high in the first quarter of the year while contract construction, and most other outdoor service work is at a low level. In April the picture begins to improve with the resumption of outdoor work. June is usually a busy month as many firms try to keep up with current orders and build up stock in anticipation of the customary plant shutdowns for vacations in July. The number of unemployed and the rate usually reach the year's peak in July, but sometimes increase in June because of the large numbers of students seeking summer work. The opposite situation develops in September when students return to school and nearly all regular employee vacations are over. Usually, unemployment reaches its low point in October

Lawrence-Haverhill SMSA
Industries of Last Attachment of the Totally Unemployed
Week Ending December 23, 1972

SIC Code	Industry Name	All Claimants	Percent	Males	Percent	Females	Percent
22	Textile Products	122	3.5	69	3.8	53	3.1
23	Garment Mfg.	129	3.7	29	1.6	100	5.9
26	Paper Products	35	0.9	25	1.4	10	0.6
27	Printing & Publishing	32	0.9	14	0.8	18	1.0
28	Chemical Products	66	1.9	35	1.9	31	1.8
30	Rubber and Plastics	138	3.9	58	3.2	80	4.7
31	Leather Products	330	9.4	140	7.7	190	11.2
36	Electrical Machinery	181	5.1	59	3.2	122	7.2
39	Miscellaneous Mfg.	47	1.3	15	0.8	32	1.9
15 - 17	Contract Construction	555	15.8	547	30.1	8	0.5
40 - 49	Transp., Comm., & Utilities	92	2.6	52	2.9	40	2.3
50 - 59	Wholesale & Retail Trade	429	12.2	253	13.9	176	10.3
60 - 69	Finance, Ins., & Real Estate	107	3.0	53	2.9	54	3.2
70 - 89	Service, Inc. "R. & D."	302	8.6	135	7.4	167	9.8
91	Federal Government	668	19.0	124	6.8	544	31.9
	All Other	288	8.2	210	11.6	78	4.6
	All Unemployed	3,521	100.0	1,818	100.0	1,703	100.0

Source: Division of Employment Security Tabulation of Benefit Payments
by Industry Group.

or November as manufacturing, trade, and service all prepare for the Christmas shopping season. However, in October and November employment in tourist-and recreation-related industries begins to taper off because of colder weather and shorter daylight hours. Late in November and through December many outdoor construction jobs are finished and employees are laid off for the winter. This situation raises the number of unemployed and begins to push the unemployment rate up again as the old year comes to an end. In recent years the Internal Revenue Service Center's build-up of clerical forces and the winter harness racing now carried on at Rockingham Park have helped reduce the unemployment rate for January and February in the Lawrence-Haverhill area.

With the pick-up in national recovery from the recent recession, it is probable that the Lawrence-Haverhill unemployment rate will remain under 10.0 percent for the ensuing 12-month period and possibly drop to about 7.0 percent in late spring, and again after the summer vacation shutdowns are over.

The accompanying text table shows the industrial distribution of unemployment for the survey week ending December 23, 1972.

6. The Universe of Need for Manpower Services

"The Universe of Need for Manpower Services" is an expression coined to include several groups of people who live or work in the SMSA and who need employment-related services. The main groups are

- (1) the unemployed -- people who have no job, but are able to work, available for work, and actively looking for work;
- (2) the underutilized workers who are employed part-time, or are working full time for pay that is producing family income below the poverty level;
- (3) persons not in the labor force but who should be.

The "Universe of Need for Manpower Services" in the Lawrence-Haverhill SMSA is estimated at 34,250 for fiscal year 1974. This projection includes 5,850 poor (4,650 disadvantaged and 1,200 other poor), 28,400 nonpoor of whom about 7,200 meet the "near poverty" standard, and 21,200 classed as "all other nonpoor".

Most of the components of the Universe of Need are somewhat lower for fiscal 1974 than for the previous year because of the general improvement in business activity during the last months of 1972 which has been reflected in higher employment either in the SMSA or in industries within commuting distance outside the SMSA. Figures for the base year, 1972 and the estimates for fiscal 1974 are shown in Table 1, page 13.

7. Characteristics of the Disadvantaged

As noted in the Plan of Service Manpower Data Summary (page 14) some 4,650 individuals will need employment-related assistance during fiscal 1974. These people are disadvantaged as a result of being poor or a member of a poor family, and also fit one or more of the following categories: (1) Under 22 or over 45 years of age; (2) school drop-outs; (3) minority group members; or (4) handicapped. About 525 (11.3 percent) of the disadvantaged are unemployed. Approximately 1,525 (32.8 percent) are employed full time, but with family income below the poverty level. Another group of disadvantaged are those who are employed less than full time for economic reasons, especially school drop-outs, minority group members who lack training and experience for full time jobs.

Of those included among the disadvantaged, many are members of minority groups, especially the Spanish-speaking who have migrated from Puerto Rico or from Central and South American countries. A year ago before 1970 Census details became available, the Spanish-speaking population in Lawrence was estimated in the vicinity of 8,000, while that in Haverhill was put at 1,500. More recent data from the U. S. Census of 1970 gives the Spanish speaking population 16 years of age and over as 3,332. It is believed that this may be an undercount, at least partly as a result of the Spanish-speaking residents not returning the mail-in type of Census registration forms. A characteristic of the Spanish-speaking population that also affects data concerning their numbers in the SMSA is that many return to their native land from time-to-time and just as frequently their living quarters are immediately taken over by a newly arriving or returning family group.

The proportions of various groups of disadvantaged persons are shown in table 8 on page 15.

Generally the numbers of applicants shown for the SMSA should be less than the sum of the two office areas because the SMSA totals are unduplicated counts, while some applicants may be registered in both DES offices of the area. This principle does not apply on all lines of the table because of the specialized functions of the WIN (Work Incentive) teams.

Table 1

Universe of Need for Manpower Services
Fiscal Year 1974

Lawrence-Haverhill, Massachusetts-N.H. SMSA Base Period Used CY 1972

	Number of Individuals	
	Base Period CY 1972	Planning Assumptions for FY 1974
	I	II
1. Total Universe of Need for Manpower Services (Number of different individuals in year)	38,076	34,250
a. Poor	5,304	5,850
(1) Disadvantaged	4,298	4,650
(2) Other Poor	1,006	1,200
b. Nonpoor	32,772	28,400
(1) Near-Poverty	7,677	7,200
(2) All other Nonpoor	25,095	21,200
2. Unemployed and Underutilized Disadvantaged, Total	4,298	4,650
a. Unemployed	374	525
b. Underutilized	3,924	4,125
(1) Employed part time for economic reasons	964	1,275
(2) Employed full-time but with family income at or below poverty level	1,331	1,525
(3) Not in labor force but should be	1,629	1,325
3. Total Number of Different Individuals Unemployed in Year.	27,600	25,000

Lawrence-Haverhill, Massachusetts-N.H. SMSA
Plan of Service Manpower Data Summary

Base Period Used CY 1972

For Fiscal Year 1974

	<u>Number of Individuals</u> SMSA* Total
1. Total Civilian Population (as of 1970):	232,415
a. Age Distribution:	
16 through 21 years	21,842
22 through 44 years	61,923
45 years and over	78,622
b. Member of Minority	3,332
2. Total Civilian Work Force (12 month average for year ending Dec. 31, 1972)	98,600
a. Employed, Total (12 month average)	89,400
(1) Nonfarm Wage and Salary Workers	82,200
b. Unemployed (12 month average)	9,200
(1) Unemployment Rate	9.3
3. Universe of Need for Manpower Services for Fiscal Year Ending 1974 (Number of different individuals in year)	34,250
a. Poor	5,850
(1) Disadvantaged	4,650
(2) Other Poor	1,200
b. Non-Poor	28,400
(1) Near-Poverty	7,200
(2) All Other Nonpoor	21,200
4. Unemployed & Underutilized Disadvantaged: by Category (12 month average)	4,650
a. Unemployed	525
b. Underutilized	4,125
(1) Employed part-time for economic reasons	1,275
(2) Employed full-time, but with family income at or below poverty level	1,525
(3) Not in labor force but should be	1,325
5. Welfare Recipients	1,250
6. Estimated School Dropouts (Forecast period)	740
7. Estimated Number of Veterans Needing Manpower Services (Forecast period)	6,911
a. Number of Vietnam-Era Veterans Needing Manpower Services (Forecast period)	2,781
8. Estimated No. of Minorities Needing Manpower Services	1,070
9. Total No. of different individuals unemployed during the year.	27,600

* Based on 1970 Census Data

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Characteristics of Selected Groups of Applicants for Work 1/

Table 8

Applicant Group	Lawrence	Haverhill	SMSA
Disadvantaged Applicants	694	369	1,389
All Active Applicants	5,004	4,036	9,488
Highest School Grade Completed			
0- 7	338	191	529
8-11	1,723	1,639	3,362
Negro	103	29	148
Spanish Surname	271	14	305
Under 22 Years of Age	1,304	1,115	2,461
45 Years of Age or Older	1,291	1,073	2,422
Handicapped	562	349	911
Veterans	3,656	2,850	6,911
Viet-Nam Era Vets	1,424	1,061	2,781

1/ Source: ESARS (Employment Security Automated Reporting System)
for the period ending December 31, 1972.

Government Documents
Collection
MAR 1 8 1973
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Characteristics of Selected Groups of Applicants for Work 1/

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Highest School Grade Completed			
0- 7	338	191	529
8-11	1,723	1,639	3,362
Negro	103	29	148
Spanish Surname	271	14	305
Under 22 Years of Age	1,304	1,115	2,461
45 Years of Age or Older	1,291	1,073	2,422
Handicapped	562	349	911
Veterans	1,056	850	1,911
Viet-Nam Era Vets	424	361	781

1/ Source: ESARS (Employment Security Automated Reporting System)
for the period ending December 31, 1972.

8. Characteristics of Individuals Other than the Disadvantaged in the Universe of Need

Although many workers in the Universe of Need cannot be classified as disadvantaged, they are either unemployed at times or underutilized much of the year. The apparel industry, the leather and leather products industry, some firms in the electrical machinery industry, and the contract construction industry in the private sector are all characterized by seasonal unemployment. However, most workers in these industries, even though they may say they are available for full-time work if it were offered, do not want to change employers just to secure full-time year-round work. They are ready to work full time for their regular employer, but have come to expect "slack" periods during which they regard unemployment compensation as part of their annual income.

Another conspicuous source of partial employment which has now developed in the Lawrence-Haverhill SMSA and also affects many claimants in the adjoining Lowell SMSA, is the United States Government's Internal Revenue Service Center in Andover. The I.R.S. facility employs hundreds of clerical workers, mostly during the first half of the calendar year for processing income tax returns. The workers are chiefly women in the 25-55 age group, with at least high school education and are secondary workers in their family situation. A large proportion of these women workers are trained as key punch operators only in the numeric system. General business in the area wants key punch operators with knowledge of both alpha and numeric systems. Many of these clerical workers are regularly employed less than half of the year and are eligible for unemployment benefits for up to thirty weeks under the Massachusetts law and for extended benefits under federal and state emergency programs. When they are referred to other potential employers as a test of availability, their restricted skill in key punch work, or their mention of being on recall at I.R.S. usually militates against their being hired. Consequently, throughout the last half of the calendar year, underemployed I.R.S. clerical workers form the largest single group of the benefit claimants in the Lawrence-Haverhill SMSA.

Construction workers, predominantly males aged 22 to 45, are often displaced from their jobs in winter because of climate conditions. Since these men work at uniformly high wages the rest of the year, they are satisfied to live on unemployment compensation for the winter months rather than to try indoor work for which they have no skill or experience.

9. Barriers to Employment of the Disadvantaged

One of the main barriers to employment of disadvantaged workers in the Lawrence-Haverhill SMSA is a lack of knowledge of the English language,

a real problem for the Spanish-speaking and the French-speaking who have recently migrated to the area. These groups are further handicapped by unfamiliarity with American ways of living, with transportation seeming to be a special problem.

Many older workers with only limited education are finding this to be a drawback in seeking better-paying jobs in the effort to maintain their standard of living. Other older workers displaced from the continually contracting textile and leather products industries find that, though expert in their old jobs, their skills have become obsolete in factories with new machinery or inapplicable to the requirements in other industries.

Two common barriers to employment to graduates of WIN (Work Incentive) training projects have been the lack of conveniently located day-care centers for children and the lack of sufficiently frequent and inexpensive local public transportation.

Over the past two to three years a very conspicuous barrier to employment of disadvantaged persons in the Lawrence-Haverhill area is the lack of job openings. The large textile and shoe industry employers have been adversely affected by foreign competition. Employment opportunities at electrical machinery and ordnance firms have been eroded by a lack of demand during the business recession, reduction of purchases by the government of military and space supplies and the competition of foreign made electronic components.

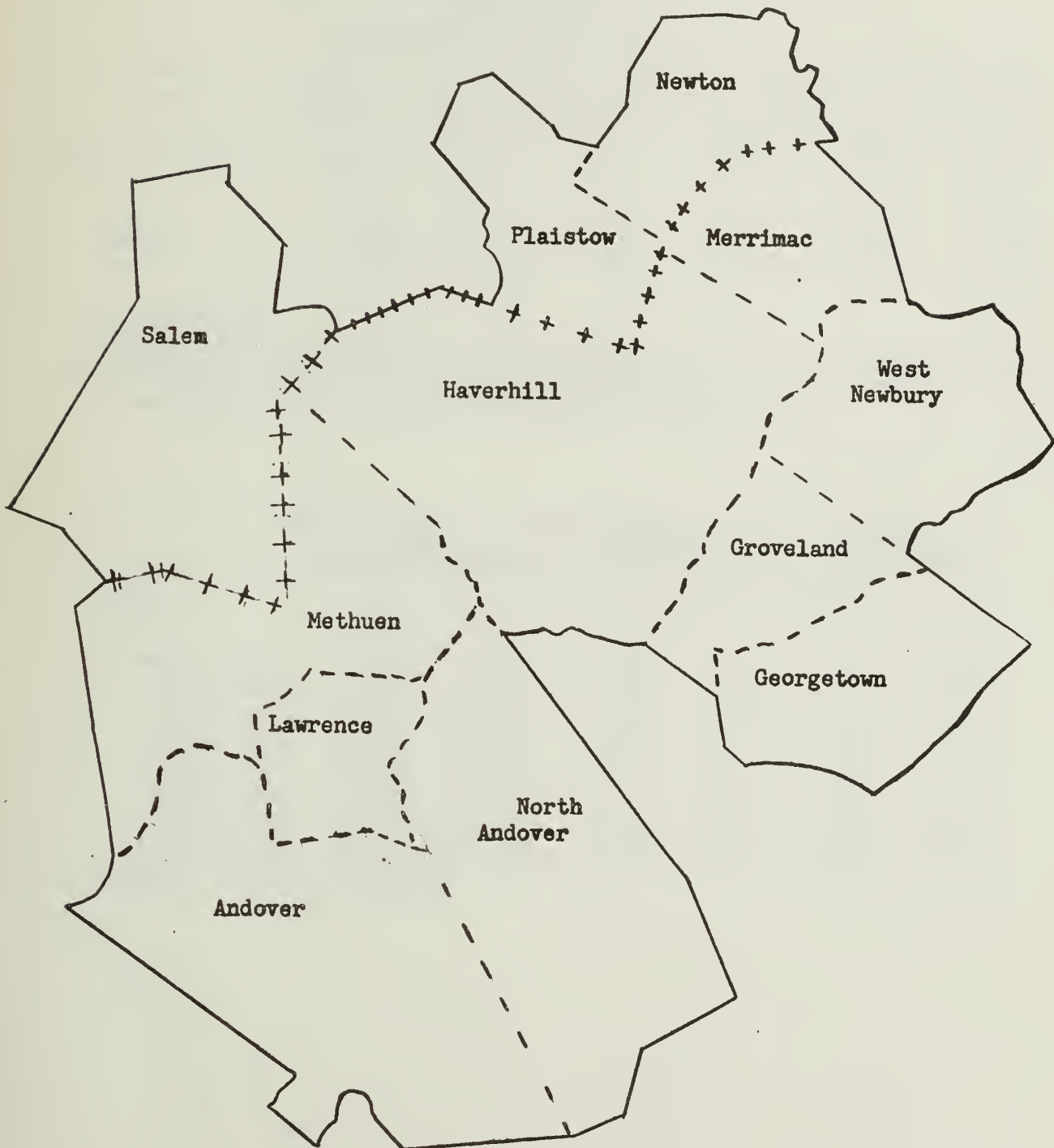
APPENDIX

Lawrence-Haverhill, Mass.-N.H.

Standard Metropolitan Statistical Area

Legend

- SMSA boundary
- +++ State boundary
- Town boundary



Lawrence-Haverhill, Massachusetts - N.H. SMSA

Appendix Table I

Population by Race, Age, and Sex

Race	SMSA	Percent	Lawrence	Percent	Haverhill	Percent
Total Population	232,415	100.0*	66,915	100.0*	46,120	100.0*
White	230,339	99.1	65,930	98.5	45,557	98.8
Negro	1,328	0.6	682	1.0	434	0.9
Other	748	0.3	303	0.5	129	0.3
Spanish-Speaking Minority	3,332	1.4	2,327	3.5	278	0.6

* Percentage columns add to more than 100 percent because Spanish-speaking group is included in the White population.

	SMSA		Lawrence		Haverhill	
	Male	Female	Male	Female	Male	Female
<u>Total</u>	111,124	121,291	31,441	35,474	21,427	24,693
Under 5 years	10,317	9,849	2,839	2,782	1,968	1,855
5-14 years	23,367	22,151	5,841	5,665	4,307	4,188
15-24 years	17,200	19,012	5,177	5,689	3,275	3,829
25-34 years	13,181	13,507	3,569	3,458	2,258	2,384
35-44 years	12,356	12,853	2,955	3,160	2,159	2,374
45-54 years	13,500	14,911	3,884	4,516	2,594	3,003
55-64 years	10,530	12,161	3,377	4,057	2,182	2,652
65 and over	10,673	16,847	3,799	6,147	2,684	4,408

Source: 1970 U. S. Census

Sources of Information

1. The 1960 U. S. Census
2. The 1970 U. S. Census
3. Massachusetts Division of Employment Security
Internal reports and ESARS (Employment Security
Automated Reported System) tabulations.

MA 20-27: LH/974

ANNUAL MANPOWER PLANNING REPORT

Government Documents
Collection
APR 23 1974

University of Massachusetts

January 1974



Lawrence - Haverhill, Massachusetts -
New Hampshire SMSA

THE COMMONWEALTH OF MASSACHUSETTS
DIVISION OF EMPLOYMENT SECURITY
RICHARD C. GILLILAND, DIRECTOR
AFFILIATED WITH MANPOWER ADMINISTRATION
U.S. DEPARTMENT OF LABOR

ANNUAL MANPOWER PLANNING REPORT

LAWRENCE-HAVERHILL, MASSACHUSETTS - N.H. SMSA

STANDARD METROPOLITAN STATISTICAL AREA

JANUARY 1974

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TABLE OF CONTENTS

	Page
Body of Report	
1. Highlights and Conclusions	1
2. Description of Area	2
a. Description of Area -- Location and Geographical Features	2
b. Economic Developments and Outlook	2
c. Population Characteristics	3
3. Employment Developments and Outlook by Industry . . .	4
4. Employment Developments and Outlook by Occupation	8
5. Recent Trends in Unemployment	10
6. The Universe of Need for Manpower Services	12
7. Characteristics of the Disadvantaged	16
8. Characteristics of Individuals Other than the Disadvantaged in the Universe of Need	16
9. Barriers to Employment of the Disadvantaged	17

LIST OF TEXT TABLES

	Page
Tables	
Lawrence-Haverhill, Massachusetts - New Hampshire SMSA Comparison of Population Over the Decade 1960-1970	3
Lawrence-Haverhill, Massachusetts - New Hampshire SMSA Civilian Work Force Annual Averages 1962-1972	5
Unfilled Job Openings as of December 31, 1972	8
Lawrence-Haverhill, Massachusetts - New Hampshire SMSA, Industries of Last Attachment of the Totally Unemployed Week Ending December 23, 1972	11
Lawrence-Haverhill, Massachusetts - New Hampshire SMSA Universe of Need for Manpower Services	13
Lawrence-Haverhill, Massachusetts - New Hampshire SMSA Plan of Services Manpower Data Summary	14
Lawrence-Haverhill, Massachusetts - New Hampshire SMSA Characteristics of Selected Groups of Applicants for Work	15

APPENDIX

	Page
MAP	
Lawrence-Haverhill, Massachusetts - New Hampshire SMSA	19
Table I	
Lawrence-Haverhill, Massachusetts - New Hampshire SMSA, Population by Race, Age, and Sex	20
Source of Information	21

1. Highlights and Conclusions

For the fiscal year 1975 the Universe of Need for Manpower Services in the Lawrence-Haverhill SMSA is estimated to be 35,800. This projection includes 6,400 poor (4,900 disadvantaged and 1,500 other poor) and 29,400 nonpoor of whom 8,000 will meet the near-poverty standard, and 21,400 classed as "all other nonpoor".

The annual average unemployment in the Lawrence-Haverhill SMSA was 8.1 percent for 1973 compared to 9.3 percent for the year 1972. If the uncertainties of the energy shortage had not hit so hard late in the year, unemployment would probably have continued at a lower level because, among other things, mild weather would have permitted outdoor work to continue through the first week of January. Among unemployed men, the largest number last worked in contract construction. The largest single source of unemployment for women, as in the previous year, was the U.S. Internal Revenue Service Center.

Once again the largest employing units in the Lawrence-Haverhill SMSA were in the ordnance and electrical machinery industries. These and smaller plants mostly in the latter industry provided most of the gains in employment in durable goods manufacturing that offset continuing losses of jobs in nondurable goods industries.

According to the 1970 U.S. Census, all persons generally referred to as members of minority groups compose about 2.3 percent of the population in the SMSA. It is thought that the Census may have made an undercount of the Spanish-speaking minority.

Important barriers to employment of disadvantaged persons in the Lawrence-Haverhill SMSA continue to include lack of knowledge of the English language, low educational and skill levels, and lack of sufficiently frequent and inexpensive public transportation to and from suburban sources of employment.

A beginning has been made in bi-lingual education in the public-schools in the area. A recent extension of bus service between Lawrence and Lowell on both sides of the Merrimac river may help disadvantaged workers reach an industrial plant which is about to hire 800 additional workers according to reports in the local press.

2. Description of Area

a. Definition of Area -- Location and Geographical Features.

The Lawrence-Haverhill, Massachusetts - N.H. SMSA is located in north-eastern Massachusetts and southeastern New Hampshire. It includes the cities of Lawrence and Haverhill; the towns of Andover, Georgetown, Groveland, Merrimac, Methuen, North Andover and West Newbury in Essex County, Massachusetts; also the towns of Newton, Plaistow, and Salem in Rockingham County, New Hampshire (see Map in Appendix).

In this SMSA there is no CEP activity nor any Model Cities program in effect.

b. Economic Developments and Outlook

The unemployment rate in the Lawrence-Haverhill area ranged from 7.0 percent to 10.4 percent during the year 1973, the annual average being 8.1 percent. Unemployment reached its peak for the year during the month of July when 10,300 workers were jobless. Much of the high unemployment in July stems from plant vacation shutdowns during which many workers not entitled to vacation pay are temporarily eligible for unemployment benefits.

For the first ten months of 1973 business activity was generally on the increase after the 1970-1971 recession. This recovery was a little slower taking effect in the Lawrence-Haverhill area compared with other sections of the country. It was originally expected that there would be increasing business activity accompanied by a declining unemployment rate right through the year 1973. However, the uncertainties that developed after hints of an oil shortage became more concrete, caused a leveling off of production and either slowed or reversed the building up of employment in the area.

As in the previous year, many residential, commercial and industrial construction projects in or near the Lawrence-Haverhill SMSA are proposed for 1974, but the energy shortage is now added to neighborhood opposition and zoning restrictions as obstacles to be overcome between drawing board and ground-breaking. The largest construction undertaking in the area is the beginning of the Hewlett-Packard plant in Andover. Several separate buildings are projected. Certain other area firms are planning or are in the process of building additions to their present facilities.

In regard to the outlook for other nonfarm employment the prospects appear favorable aside from adverse effects of the fuel shortage. This

last development has made the outlook uncertain for both production and employment, at least in the near future.

c. Population Characteristics

From the accompanying text table based on the 1960 and 1970 federal census it can be seen that the Lawrence-Haverhill SMSA gained in population during that ten-year period. However, both central cities -- Lawrence and Haverhill -- had small losses compared to the substantial gains in the suburban towns of the area.

Lawrence-Haverhill, Massachusetts-N.H. SMSA
Comparison of Population Data Over the Decade 1960-1970*

	1970 (Revised)	1960	Change 1960 to 1970	
			Number	Percent
Total	232,415	199,136	33,279	14.3
Central Cities	113,035	117,279	-4,244	-3.6
Lawrence	66,915	70,933	-4,018	-5.6
Haverhill	46,120	46,346	- 226	-0.5
Suburban Towns in Essex County, Mass.				
Andover Town	23,695	17,134	6,561	38.3
Georgetown Town	5,290	3,755	1,535	40.9
Groveland Town	5,382	3,297	2,085	63.2
Merrimac Town	4,245	3,261	984	30.2
Methuen Town	35,456	28,114	7,342	26.1
North Andover Town	16,284	10,908	5,376	49.2
West Newbury Town	2,254	1,844	410	22.2
In Rockingham County, N. H.				
Newton Town	1,920	1,419	501	35.3
Plaistow Town	4,712	2,915	1,797	61.6
Salem Town	20,142	9,210	10,932	118.7

* Source U.S. Census of Population

3. Employment Developments and Outlook by Industry

The annual average for nonagricultural employment in the Lawrence-Haverhill SMSA, as shown in Table 3, was up by 1,100 (83,300 compared to 82,200) over that of 1972. The trend in manufacturing employment was erratic through the twelve months of 1973, climbing from 36,500 in January to the year's peak of 37,900 in April tapering off to 35,000 in July and then making a slow recovery to 37,400 in December.

Employment in durable goods industries continued upward through the whole year, led especially by continual additions to the payrolls in ordnance and electrical machinery. These industries were spurred by a resumption of government orders for new military equipment or replacement parts, and increasing demand for electronic devices for civilian use. The build-up of employment in ordnance and electrical machinery is especially vital to the area because these two categories include the two largest single employing units in the SMSA. In addition, these two large industries generate some employment among smaller shops which act as subcontractors in turning out certain components for electrical machinery. Employment in nonelectrical machinery manufacturing has been steady through the year, especially that sector that manufactures computer parts.

During 1973 employment in the nondurable goods industries showed only minor fluctuations except during the vacation month of July and in late summer when there was a labor management dispute at one important firm in the rubber and plastics industry. However, a slight down-trend was noticeable over the year in Table 3 because of the continued erosion of jobs in the leather products industry. The outlook for employment in the latter is for continued contraction. The cause is widely attributed to the competition of foreign-made shoes. Employment in the rubber and plastics industry would probably hold steady or increase if it were not for the present uncertainty about the supply of raw materials from the petroleum industry. It is expected that employment in the textile and garment industries will continue at about the current level, unless there is difficulty in obtaining petroleum-based synthetic raw materials.

Among the nonmanufacturing industries the annual average showed a gain of 300 (46,100 vs. 45,800) from 1972 to 1973. Contract construction was down a little because of less activity both in and out of the SMSA. Employment in wholesale and retail trade also showed a decrease, as some downtown stores succumbed to urban renewal or moved to suburban shopping centers where self-service operation is the mode. The outlook is for further reduction, as more stores convert to self-service, or reduce their staffs because there proves to be less buying power on the part of consumers whose incomes may be adversely affected by the energy shortage.

Table 3
Lawrence-Haverhill, Massachusetts - N.H. SMSA
Civilian Work Force Annual Average - 1963 to 1973
(in 000's)

Item	1963	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973
Civilian Work Force <u>2/</u>	93.4	91.5	90.0	90.1	92.9	95.4	96.5	97.8	98.6	98.6	98.0
Unemployment	6.4	6.4	5.9	4.8	4.8	4.5	4.9	6.5	9.1	9.2	7.9
Percent of Work Force	6.9	7.0	6.6	5.3	5.2	4.7	5.1	6.6	9.3	9.3	8.1
Employment - Total	87.0	85.0	84.1	85.2	88.1	90.8	91.6	91.3	89.5	89.4	90.0
Nonagricultural Wage & Salary #	78.1	76.3	75.7	77.2	80.3 ^s	83.3	84.3	84.1	82.0	82.2	83.3
Manufacturing - Total	43.7	41.6	40.4	40.8	41.8	42.4	41.5	39.6	36.8	36.4	37.2
Durable Goods	22.0	20.1	18.4	18.7	20.5	20.2	19.4	19.4	18.6	18.4	20.4
Machinery (exc. elect.)	1.7	1.9	2.1	2.5	2.6	2.5	2.7	2.2	1.8	1.8	1.9
Other Durable Goods	20.3	18.2	16.3	16.2	17.9	17.7	16.7	17.2	16.8	16.6	18.5
Nondurable Goods	21.7	21.5	22.0	22.1	21.3	22.2	22.1	20.2	18.2	18.0	16.8
Textiles	3.4	3.1	3.4	3.2	3.0	3.1	3.5	2.9	2.3	2.5	2.6
Paper	2.2	2.1	2.1	2.1	2.1	2.0	2.0	1.9	1.5	1.3	1.3
Rubber & Misc., Plastics	2.4	2.6	2.9	2.8	2.5	2.6	2.7	2.5	2.2	2.3	2.2
Leather	9.0	8.9	8.7	8.9	8.5	8.7	7.5	6.8	6.5	6.2	5.2
Other Nondurable Goods	4.7	4.8	4.9	5.1	5.2	5.8	6.4	6.1	5.7	5.7	5.5
Nonmanufacturing - Total	34.4	34.7	35.3	36.4	38.6	40.9	42.8	44.5	45.2	45.8	46.1
Construction	2.2	2.1	2.0	2.0	2.0	2.2	2.3	2.5	2.3	2.1	1.9
Trans., Comm., Utilities	2.1	2.1	2.0	2.1	2.1	2.3	2.6	2.7	2.7	3.0	3.3
Trade	12.9	12.9	13.3	13.7	14.2	14.5	15.0	15.1	15.1	15.0	14.9
Fin., Ins., & Real Estate	2.1	2.1	2.1	2.1	2.2	2.3	2.3	2.4	2.4	2.5	2.5
Service, Misc., & Mining	8.1	8.3	8.4	8.6	9.2	9.4	10.0	10.5	10.7	10.9	11.1
Government	7.0	7.2	7.5	7.9	8.9	10.2	10.6	11.3	12.0	12.3	12.3
All Other Nonagriculture <u>1/-</u>	8.0	7.8	7.5	7.1	6.9	6.6	6.4	6.3	6.5	6.3	6.2
Agriculture	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	1.0	0.9	0.6
Persons Involved in Labor Disputes	0	0.1	0	0.1	0	0.1	0	0	0	0	0.1

Source: BLS Current Employment Series
1/ Nonagricultural self-employed, unpaid family workers, and domestic workers in private households.
2/ Columns may not add due to rounding

Employment in public utilities and in the service industries increased during the year as a result of building new facilities in the area and the need for various kinds of services on consumer appliances, in the personal services area, and some addition to staffs in research and development. This trend will probably continue in so far as the energy shortage permits.

In finance, insurance, and real estate and in government employment the annual average remained the same both in 1972 and 1973. The chances are that this situation will continue with little change in finance, insurance, and real estate because of tight mortgage money and high prices of building materials. Government employment will probably hold steady or increase moderately. Continued growth in suburban areas will tend to build demand for more government services. However, local governments are emphasizing a hold-the-line attitude toward expenses and the need for expansion of schools for the primary grades seems to be leveling off. The North Atlantic Internal Revenue Service Center employs hundreds of seasonal workers. This source of government employment is expected to contract somewhat in the next fiscal year because of the work that will be transferred to a new facility on Long Island.

Any comment on the outlook for employment into fiscal year 1975 will be very "iffy" at this time. The effect of the petroleum products shortage has greatly changed the fairly optimistic forecasts of a year ago and even those of early fall 1973. The shortages have been especially severe in New England because of dependence on imported oil and its derivatives. The petroleum products reaching the region are not only in short supply, but also subject to abrupt rises in price. This has been making it difficult for industrial managers in the area to plan ahead. Indefinite continuation of the oil shortage will acutely affect the plastics industry because certain petroleum products are the basic raw material for plastics manufacture.

All industry, both manufacturing and nonmanufacturing, is greatly dependent on oil. The electric utilities need it for fuel to run generating plants. Manufacturers need it for heating their buildings. Public buildings and schools as well as private office buildings and stores nearly all use fuel oil for heating. Converting to other fuels is hard to accomplish on short notice, and, because of small demand for coal over the past few years, it, too, is in short supply. Facilities for stock-piling and distributing coal have fallen into disuse or have been removed from fuel dealers' yards.

Circumstances outlined in the two foregoing paragraphs indicated the uncertainties inherent in "outlook" comments at the time of this report.

Other things being equal, it appears that employment in ordnance and electrical machinery will continue steady or build up a little with the opening of several new small shops in the industry. Nonelectrical machinery companies, especially those related to computer components are expected to continue at current levels. In the nondurable goods industries employment in the near future is likely to be less steady than in the durable goods sector. With only one large textile factory in the SMSA, employment in that industry is expected to continue on the current plateau. Garment industry employment is also expected to continue in its present pattern, including seasonal ups-and-downs. The outlook for employment in rubber and plastics manufacturing is the most clouded at the present time because of the petroleum products shortage. Continued decline in employment in the leather and leather products industry seems inevitable as one of the largest factories in the SMSA has recently laid off several hundred workers. The layoff is temporary, according to the company's public statements. Several small leather specialty shops have closed during 1973.

Nonmanufacturing employment, which had been experiencing a rise, may now level off because of consumer resistance to high prices and a reluctance to spend money for services. Employment in contract construction, which has been below normal in the area the past two or three seasons, is expected to continue slow because of high prices of materials, tight money for mortgages and other types of building loans, and the shortage of gasoline or diesel fuel for construction machinery such as bulldozers, cranes, and transit-mix cement trucks. Despite attempts by civic-governing bodies and town meeting voters to limit government employment, this source of employment will probably continue to increase because of the added services required for steadily increasing population in suburban towns and as a form of unemployment relief in the cities if such action becomes necessary.

4. Employment Developments by Occupation

The job bank substation in the Lawrence DES office covers the Lowell SMSA, the Lawrence-Haverhill SMSA and the Newburyport labor area in its published numerical statistics. However, a tabulation of the openings listed by employing units was used as a basis for the following table showing the unfilled openings applicable to the Lawrence-Haverhill SMSA.

Unfilled Openings in the Lawrence-Haverhill SMSA ^{1/}

DOT CODE	Major Occupational Category	Number	Percent
	Total	477	100.0
0,1	Professional, Technical and Managerial	62	13.0
2	Clerical and Sales	139	29.0
3	Services	55	11.5
4	Farming	1	0.2
5	Processing	29	6.1
6	Machine Trades	64	13.4
7	Bench Work	50	10.5
8	Structural	50	10.5
9	Miscellaneous and Material Handling	27	5.8

^{1/} Listings in the Lawrence Job Bank sub-station applicable to the Lawrence-Haverhill SMSA as of December 28, 1973

The large number of openings in clerical and sales jobs reflects the demand for seasonal clerical workers to assist in processing income tax returns at the North Atlantic Internal Revenue Service Center. Many of the openings in the services group are for nurses, domestic workers in private households, and for live-in household workers. There was a good demand for experienced machinists, machine operators, and shoe and garment stitchers.

In the professional, technical and managerial field there were a number of openings in the ordnance and electrical machinery industries that offer good pay. There were also many openings for department managers or manager

trainees in retail businesses where the starting pay offered was not too attractive. Another difficulty about filling these and some of the less-skilled technical jobs is that professional people laid off from research and development or who were in other specialized fields are considered "over-qualified" for available openings and are not hired, even though willing to try lower-paying work rather than continuing on unemployment benefits.

In the less skilled jobs there are some openings that are hard to fill because of relatively low pay offered or because the work is in locations relatively inaccessible to workers not having the use of a private automobile.

As of late December, employment in the Lawrence-Haverhill SMSA had not been seriously effected by the energy shortage. It is anticipated that as 1974 progresses there may be a much more severe impact. Consequently, openings available in December may not be available by the time this report is published; thus outlook is not at all clear for the near future.

5. Recent Trends in Unemployment

For the year 1973 the annual average number of workers unemployed in the Lawrence-Haverhill SMSA was 7,900, a reduction of 1,300 from the 1972 average of 9,200. This brought the annual average unemployment rate down from 9.3 percent in 1972 to 8.1 percent for 1973. The number of unemployed decreased during the first five months of the year. (8,000 to 6,900), increased to 9,600 in June and 10,300 in July as summer-job applicants flooded the labor market, decreased to 7,000 by October, then climbed again to 8,500 in December. The sharp rise at the end of the year was accentuated by what was announced as a temporary layoff of over 500 workers at the W.R. Grace Lawrence-Maid (shoe) Division. Then too, many other companies in the nondurable goods sector also shut-down for two or more weeks at the end of the year instead of just the one-week vacation that has been either a part of union contracts or a customary annual occurrence. There were also a few layoffs directly attributable to the energy shortage.

At this writing the outlook for unemployment for the upcoming year is just about as "iffy" as that for employment. The traditional pattern can be expected to occur as the seasons progress, but it will be subject to change when and as important industries are affected by the energy shortage. During the winter months unemployment usually runs high in the Lawrence-Haverhill SMSA because of inactivity in contract construction, in outdoor employment connected with tourism and recreation, and in wholesale and retail trade where there is a let-down after the year-end holidays. A contra-seasonal trend now evident in the area is the reduction of unemployment in the service industry resulting from winter harness racing at Rockingham Park in Salem, N.H. and the winter recall of temporary clerical workers at the Internal Revenue Service Center for processing income tax forms.

With the advent of warmer weather in early spring there is a resumption of contract construction activities and a return to work in other outdoor occupations in recreational activities and in such fields as landscaping service that goes along with new construction. In June and July unemployment goes up because of an influx into the labor force of students and housewives seeking summer jobs and graduates seeking steady jobs. The increase in unemployment from these sources is augmented by the vacation shutdowns in textile, garment, shoe, and electrical machinery factories where many employees may not be entitled to vacation pay, and thus become eligible for unemployment insurance benefits. Late in the summer students return to school, industrial plants resume full-time work and unemployment reverts to a lower level which normally continues downward until winter comes.

Tentatively assuming unemployment will follow the seasonal pattern this year, but that it may be adversely affected by the local fuel shortage and by nation wide effects of the same, the unemployment rate can be expected to rise into the 10.0 to 12.0 percent range in the next 2 or 3 months. In the spring the rate may fall back to the 7.0 to 8.0 percent range, rise again toward 12.0 percent in the early summer and again dip to around 7.0 percent during the last three or four months of the year.

The accompanying text table shows the industrial sources of unemployment for the survey week ending December 22, 1973.

Lawrence-Haverhill SMSA
Industries of Last Attachment of the Totally Unemployed
Week Ending December 22, 1973

SIC Code	Industry Name	All Claimants	Percent	Males	Percent	Females	Percent
	All the Totally Unemployed	3,800	100.0	2,058	100.0	1,742	100.0
22	Textile Products	92	2.4	55	2.6	37	2.1
23	Garment Mfg.	118	3.1	26	1.3	92	5.3
26	Paper Products	46	1.2	41	2.0	5	0.3
27	Printing & Publishing	29	0.8	22	1.1	7	0.4
28	Chemical Products	19	0.5	15	0.7	4	0.2
30	Rubber & Plastics	139	3.7	87	4.2	52	3.0
31	Leather Products	282	7.4	115	5.6	167	9.6
35	Nonelectrical Machinery	152	4.0	53	2.6	99	5.7
19&36	Electrical Machinery	141	3.7	57	2.8	84	4.8
39	Miscellaneous Mfg.	54	1.4	13	0.6	41	2.4
15-17	Contract Construction	572	15.1	560	27.2	12	0.7
40-49	Transp., Comm., & Utilities	72	1.9	48	2.3	24	1.4
50-59	Wholesale & Retail Trade	494	13.0	306	14.9	188	10.8
60-69	Finance, Ins., & Real Estate	82	2.2	34	1.7	48	2.8
70-89	Service, Incl. "R. & D."	460	12.1	250	12.1	210	12.1
91	Federal Government	744	19.5	169	8.2	575	33.0
	All Other	304	8.0	207	10.1	97	5.4

Source: Division of Employment Security Tabulation of Benefit Payments

6. The Universe of Need for Manpower Services

"The Universe of Need for Manpower Services" is an expression intended to include several groups of people who live or work in the SMSA and who need employment related services. The main groups are:

- (1) the unemployed -- people who have no job, but are able to work, available for work, and actively looking for work;
- (2) the underutilized workers who are employed part-time or are working full time for pay that is below the poverty level for family income;
- (3) Persons not in the labor force but should be. "The Universe of Need for Manpower Services" in the Lawrence-Haverhill SMSA is estimated at 35,800 for the fiscal year 1975. This projection includes 6,400 poor (4,900 disadvantaged and 1,500 other poor), 29,400 nonpoor of whom 8,000 meet the "near poverty" standard, and 21,400 classes as "all other nonpoor".

Most of the components of the Universe of Need are higher for fiscal 1975 than for the previous year because of leveling off of business conditions in the area, the continued decline of the leather products industry and an allowance for rather wide-spread unemployment that seems an almost inevitable result of the 1973-1974 fuel and energy shortage which is increasingly acute in all the New England states. Figures for the base year, calendar 1973, and for the fiscal year 1975 are shown in Table 1, page 13.

Beside the growing minority of Spanish speaking residents, another group deserving of priority in manpower services in the current employment crisis is that of Viet Nam war veterans, and by law members of this group have first call on the activities of the local DES offices.

Table 1

Universe of Need for Manpower Services
Fiscal Year 1975

Lawrence-Haverhill, Mass.-N.H. SMSABase Period Used Calendar Year 1973

	Number of Individuals	
	Base Period	Planning
	CY 1975	Assumptions for FY 1975
	I	II
1. Total Universe of Need for Manpower Services (Number of different individuals in year)	33,037	35,800
a. Poor	5,926	6,400
(1) Disadvantaged	4,682	4,900
(2) Other Poor	1,244	1,500
b. Nonpoor	27,111	29,400
(1) Near-Poverty	7,513	8,000
(2) All Other Nonpoor	19,598	21,400
2. Unemployed and Underutilized Disadvantaged, Total	4,682	4,900
a. Unemployed	336	500
b. Underutilized	4,346	4,400
(1) Employed part-time for economic reasons	1,082	1,100
(2) Employed full-time but with family income at or below poverty level	1,135	1,100
(3) Not in labor force but should be	2,129	2,200
3. Total Number of Different Individuals Unemployed in Year.	23,700	26,000

Plan of Service Manpower Data Summary
Lawrence-Haverhill, Massachusetts N.H. SMSA

Base Period Used CY 1973

For Fiscal Year 1975

Item	Number Of Individuals	
	SMSA*	Total
1. Total Civilian Population (as of 1970)		232,415
a. Age Distribution:		
16 through 21 years		21,842
22 through 44 years		61,923
45 years and over		78,622
b. Member of Minority - Total		5,408
16 years and over		2,646
2. Total Civilian Work Force		98,000
(12 month average for year ending Dec. 31, 1973)		
a. Employed, Total (12 month average)		90,000
(1) Nonfarm Wage and Salary Workers		83,300
b. Unemployed (12 month average)		7,900
(1) Unemployment Rate		8.1
3. Universe of Need for Manpower Services for Fiscal Year Ending 1975 (Number of different individuals in year)		35,800
a. Poor		6,400
(1) Disadvantaged		4,900
(2) Other Poor		1,500
b. Nonpoor		29,400
(1) Near-poverty		8,000
(2) All other Nonpoor		21,400
4. Unemployed & Underutilized Disadvantaged: by Category (12 month average)		4,900
a. Unemployed		500
b. Underutilized		4,400
(1) Employed part-time for economic reasons		1,100
(2) Employed full-time, but with family income at or below poverty level		1,100
(3) Not in labor force but should be		2,200
5. Welfare Recipients		3,350
6. Estimated School Dropouts (Forecast Period)		750
7. Estimated Number of Veterans Needing Manpower Services (Forecast Period)		6,300
a. Number of Vietnam-Era Veterans Needing Manpower Services (Forecast Period)		2,500
8. Est. no. Of Minorities Needing Manpower Services		2,250
9. Total Number of different individuals unemployed during the year		26,000

* Based on 1970 Census Data

Characteristics of Selected Groups of Applicants for Work

Applicant Group	SMSA	Lawrence	Haverhill
All Active Applicants	12,321	8,260	4,061
Disadvantaged Applicants	1,597	1,169	428
Negro	278	211	67
Spanish Surname	804	761	43
Under 22 Years of Age	3,508	2,310	1,198
45 Years of Age or Older	2,638	1,796	842
Handicapped	1,255	906	349
Veterans	2,890	1,766	1,124
Vietnam Era Veterans	1,315	775	540

1/ Source: ESARS (Employment Security Automated Reporting Systems) Tabulation for the first five months of Fiscal Year 1974.

7. Characteristics of the Disadvantaged

The Plan of Service Manpower Data Summary (page 14) indicates a total of about 4,900 individuals can be expected to need employment-related assistance during the fiscal year 1975. These people are considered disadvantaged because they meet one or more of the following qualifications: (1) under 22 or over 45 years of age; (2) are school drop-outs; (3) are minority group members; (4) are handicapped; or (5) have been out of work for three months or more. Approximately 500 (10.2 percent) of the disadvantaged are unemployed, and some 1,100 (22.4 percent) are employed full time, but with family income below the poverty level. Another group who are employed less than full time for economic reasons, especially school drop-outs and minority group members lacking training or experience for full time jobs are also considered disadvantaged.

In the Lawrence-Haverhill SMSA the disadvantaged include many members of minority groups, such as Spanish-speaking migrants from Puerto Rico and Central and or South American countries. The 1970 Census, which indicated that Spanish-speaking residents numbered about some 3,300 in Lawrence and 1,500 in Haverhill is thought to have made an undercount, at least partly because many Spanish-speaking households did not mail back the Census registration forms which were sent to them. The proportions of the various groups of disadvantaged persons are shown in the table on page

The numbers of job applicants shown for the SMSA is likely to be less than the sum of the two office areas because the SMSA totals are unduplicated counts, whereas some applicants may be registered in both DES offices of the area. This principle does not apply to all lines of the table because of the specialized functions of the WIN (Work Incentive) teams.

8. Characteristics of Individuals Other Than the Disadvantaged in the Universe of Need

Although many workers in the Universe of Need cannot qualify as disadvantaged, they are either unemployed or underemployed at times during the year. The apparel industry, the leather and leather products industry, some firms in the electrical machinery industry, and the contract construction industry in the private sector are all characterized by seasonal unemployment. Most workers in these industries, even though they claim to be available for full time work if it were offered do not contemplate changing employers for the sake of obtaining full time, year-round work. They are ready to work full time for their regular employer,

but have come to expect "slack" periods during which they regard unemployment insurance benefits as part of their annual income.

Another important group of the "underemployed" has come into existence during the last decade in the Lawrence-Haverhill SMSA and includes a substantial number of claimants in the adjoining Lowell SMSA. This group comprises several hundred temporary clerical workers employed mostly during the first six months of the calendar year at the North Atlantic Internal Revenue Service Center in Andover. These workers are generally women in the 25-55 age bracket with at least a high school education and are secondary wage-earners in a family situation. The few months' work and salaries that they get, along with some accumulation of annual leave and up to thirty weeks of U.I. benefits under the Massachusetts law gives them all the extra income they need for some family extras. While they are collecting benefits they have to be available for work and willing to accept referral from the DES office to "suitable work". But their very specialized skill in key-punch work and the fact that they are "on recall" at the I.R.S. militates against their being hired by other employers. A consequence of this situation is that during the last half of the calendar year the I.R.S. clerical workers are the largest single group of U.I. claimants in the Lawrence-Haverhill SMSA.

Construction workers, predominantly males 22 to 45, are often displaced from their jobs in winter because of climatic conditions. Since these men work at relatively high wages the rest of the year, they are satisfied to live on their U.I. benefits during the winter months rather than try indoor work for which they have no skill or experience. During the last two or three years many construction workers have had only sporadic employment all through the year, even when weather conditions have not been a problem.

9. Barriers to Employment of the Disadvantaged

One of the main barriers to employment of disadvantaged workers in the Lawrence-Haverhill SMSA is lack of knowledge of the English language, a real problem for the Spanish-speaking and the French-speaking groups who have recently migrated into the area. These groups are further handicapped by unfamiliarity with the American way of living, with transportation seeming to be a special problem.

Many older workers with only limited education are finding this to be a drawback in seeking better-paying jobs in an effort to maintain their standard of living. Other older workers displaced from the continually contracting textile and leather products industries find that, though expert in their old jobs, their skills have become obsolete in factories with new machinery, or inapplicable to the requirement of other industries.

Two barriers to employment for graduates of WIN (Work Incentive) training are the lack of sufficient day-care centers for the childrens of families headed by women and the lack of sufficiently frequent and inexpensive public transportation.

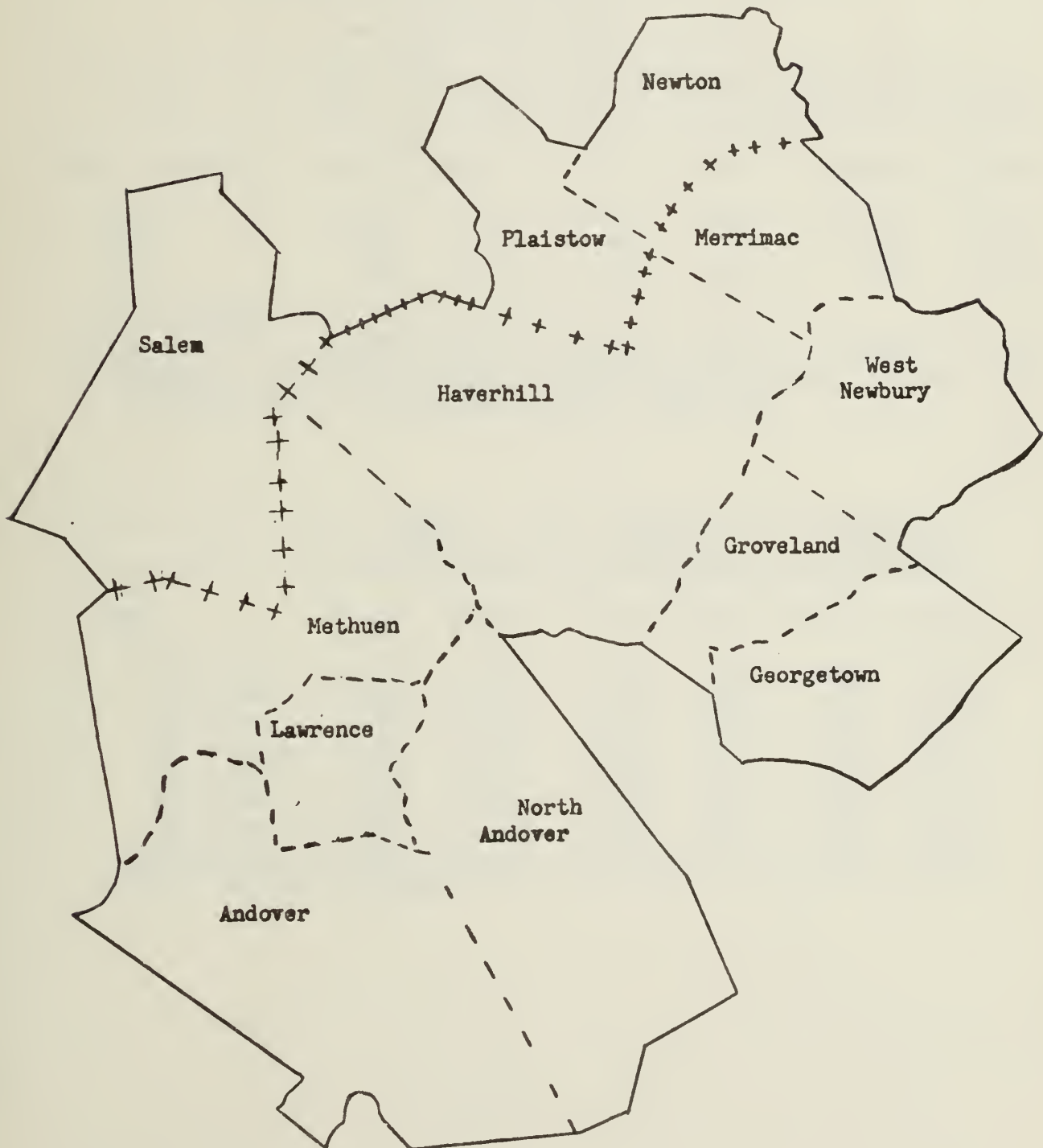
In the near future an important barrier to all the unemployed may prove to be simply a lack of job openings where the area industries are forced to contract their activities as a result of the energy shortage.

Lawrence-Haverhill, Mass.-N.H.

Standard Metropolitan Statistical Area

Legend

- SMSA boundary
- ♦ ♦ ♦ State boundary
- - - Town boundary



Lawrence-Haverhill, Massachusetts - N.H. SMSA
Appendix Table I
Population by Race, Age, and Sex

Race	SMSA	Percent	Lawrence	Percent	Haverhill	Percent
Total Population	232,415	100.0*	66,915	100.0*	46,120	100.0*
White	230,339	99.1	65,930	98.5	45,557	98.8
Negro	1,328	0.6	682	1.0	434	0.9
Other	748	0.3	303	0.5	129	0.3
Spanish-Speaking Minority	3,332	1.4	2,327	3.5	278	0.6

* Percentage columns add to more than 100 percent because Spanish-speaking group is included in the White population.

	SMSA		Lawrence		Haverhill	
	Male	Female	Male	Female	Male	Female
<u>Total</u>	111,124	121,291	31,441	35,474	21,427	24,693
Under 5 years	10,317	9,849	2,839	2,782	1,968	1,855
5-14 years	23,367	22,151	5,841	5,665	4,307	4,188
15-24 years	17,200	19,012	5,177	5,689	3,275	3,829
25-34 years	13,181	13,507	3,569	3,458	2,258	2,384
35-44 years	12,356	12,853	2,955	3,160	2,159	2,374
45-54 years	13,500	14,911	3,884	4,516	2,594	3,003
55-64 years	10,530	12,161	3,377	4,057	2,182	2,652
65 and over	10,673	16,847	3,799	6,147	2,684	4,408

Source: 1970 U. S. Census

Source of Information

1. The 1960 U. S. Census
2. The 1970 U. S. Census
3. Massachusetts Division of Employment Security
Internal reports and ESARS (Employment Security
Automated Reported System) tabulations.

MA 20. 27: LH/975

ANNUAL MANPOWER PLANNING REPORT

JANUARY
1975

*LAWRENCE-HAVERHILL
MASSACHUSETTS —
NEW HAMPSHIRE
SMSA*

THE COMMONWEALTH OF MASSACHUSETTS
DIVISION OF EMPLOYMENT SECURITY
JOHN D. CROSIER, DIRECTOR
AFFILIATED WITH MANPOWER ADMINISTRATION
U.S. DEPARTMENT OF LABOR

ANNUAL MANPOWER PLANNING REPORT

JANUARY 1975

LAWRENCE-HAVERHILL, MASSACHUSETTS-NEW HAMPSHIRE
STANDARD METROPOLITAN STATISTICAL AREA

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P R E F A C E

Revision of Employment Estimates

Employment estimates revised to a 1974 benchmark were received for the Lawrence-Haverhill-N.H. SMSA in December 1974. The nonagricultural wage and salary employment, by industry, had been revised yearly on a monthly basis from January 1970 through November 1974. The revision to the 1974 benchmark resulted in total increased nonagricultural wage and salary employment over the 1970 benchmark varying from 3,500 workers in January 1970 to 8,400 in November 1974.

Accordingly, previous employment estimates from January 1970 through November 1974 were revised to this 1974 benchmark. The revisions reflected substantial increases in the civilian labor force ranging from an increase of 3,600 persons in January 1970 to 12,000 for November 1974. Unemployment rates were reduced an average of 0.6 percent per month over the period January 1970 through November 1974.

These new employment estimates revised to the 1974 benchmark are not comparable, statistically, to the prior estimates which were computed to the 1970 benchmark.

The revision of employment data to a new benchmark is done periodically when more complete and accurate employment information is obtained which materially reflects significant changes in employment in an industry or a group of industries in a particular SMSA. The updating and/or revising provides the means for better economic forecasting and planning to be done for the particular area involved.

This revised employment information is especially important today in the light of the various manpower programs that are available to help relieve the depressed economy of qualifying areas.

Thus, revising to the new benchmark for the historical series from 1970 through 1974 increased the number of employed which in effect reduced the unemployment rate slightly.

Table of Contents

	Page
Preface	iv
Body of Report	
1. Highlights and Conclusions.....	1
2. Description of Area.....	2
a. Description of Area - Location and Geographical Features.....	2
b. Economic Developments and Outlook.....	2
c. Population Characteristics.....	3
3. Employment Developments and Outlook by Industry.....	5
4. Employment Developments and Outlook by Occupations.....	6
5. Recent Trends in Unemployment.....	9
6. The Universe of Need for Manpower Services.....	11
7. Characteristics of the Disadvantaged.....	15
8. Characteristics of Individuals Other Than The Disadvantaged in the Universe of Need.....	15
9. Barriers to Employment of the Disadvantaged.....	17
10. Redefinition of the Lawrence-Haverhill, Massachusetts- New Hampshire SMSA.....	18

List of Text Tables

Tables	Page
Lawrence-Haverhill, Massachusetts-New Hampshire SMSA Comparison of Population Over the Decade 1960-1970.....	3
Lawrence-Haverhill, Massachusetts-New Hampshire SMSA, Nonagricultural Wage and Salary Workers. Annual Averages 1964-1974.....	4
Unfilled Job Openings as of March 31, 1975.....	8
Lawrence-Haverhill, Massachusetts-New Hampshire SMSA Industries of Last Attachment of the Totally Unemployed for Week Ending March 22, 1975.....	10
Lawrence-Haverhill, Massachusetts-New Hampshire SMSA Universe of Need for Manpower Services.....	12
Lawrence-Haverhill, Massachusetts-New Hampshire SMSA Plan of Services-- Manpower Data Summary.....	13
Lawrence-Haverhill, Massachusetts-New Hampshire SMSA characteristics of Selected Groups of Applicants for Work.....	14



Appendix

	Page
Map Lawrence-Haverhill, Massachusetts- New Hampshire SMSA - Current Definition.....	19
Map Lawrence-Haverhill, Massachusetts- New Hampshire SMSA - Redefined.....	20
Table I Lawrence-Haverhill, Massachusetts New Hampshire SMSA - Population in Race, Age, and Sex.....	21
Source of Information.....	

1. Highlights and Conclusions

The Universe of Need for Manpower Services in the Lawrence-Haverhill SMSA for fiscal year 1976 is estimated to be 38,648. This projection includes 5,570 poor (4,435 disadvantaged and 1,135 other poor) and 33,028 nonpoor of whom 8,176 will meet the near-poverty standard, and 24,902 will be classified as "all other nonpoor".

The annual average unemployment rate in the Lawrence-Haverhill-N.H. SMSA was 7.1 percent for 1974 compared to 6.6 percent for 1973. Among unemployed men, the largest number last worked in the contract construction industry. The U.S. Internal Revenue Service Center, as in previous years, was the last place of employment for the majority of the unemployed women in the area.

The two largest employing firms in the Lawrence-Haverhill SMSA are in the ordnance and electrical machinery industries. These two large employing units and a few smaller plants in the latter industry provided most of the gains in employment that offset continuing losses of jobs in the nondurable goods industries over the year. According to the 1970 U.S. Census, all persons generally referred to as members of minority groups comprised about 2.3 percent of the population in the Lawrence-Haverhill SMSA. It is thought that the 1970 Census may have made an undercount of the Spanish-speaking minority group.

Pronounced barriers to the employment of disadvantaged persons in the Lawrence-Haverhill SMSA continue to be a lack of knowledge of the English language, low educational and skill levels and a lack of sufficiently frequent and inexpensive public transportation to and from suburban places of employment. Bi-lingual education is still being offered, on a limited basis, in some public schools in Lawrence to enable Spanish-speaking students to keep abreast of their studies in English and help them to successfully complete the courses of study.

2. Description of Area

a. Description of the Area - Location and Geographical Features

The Lawrence-Haverhill, Massachusetts-N.H. SMSA is located in north-eastern Massachusetts and southeastern New Hampshire. It includes the cities of Lawrence and Haverhill; the towns of Andover, Georgetown, Groveland, Merrimac, Methuen, North Andover, and West Newbury in Essex County, Massachusetts; and the towns of Newton, Plaistow, and Salem in Rockingham County, New Hampshire (see map in Appendix). There is no CEP activity nor any Model Cities program in this SMSA.

b. Economic Developments and Outlook

The unemployment rate in the Lawrence-Haverhill area ranged from a low of 5.8 percent in the month of May, 1974 to a high of 7.8 percent in July, 1974 for a 1974 annual average unemployment rate of 6.9 percent. Unemployment reached its peak for 1974 in July when 9,000 workers were jobless. A large part of the high July unemployment resulted from plant vacation shutdowns during which time many workers not entitled to vacation pay were eligible to file claims for unemployment compensation benefits.

Business activity during the twelve months of 1974 continued to be hampered by economic problems in various segments of the manufacturing and non-manufacturing industries. Lack of orders, foreign competition in raw materials and finished products and shortages attributable to the energy crisis forces some manufacturing firms to layoff personnel, reduce hours of work or temporarily close down or in some instances permanently close. Contract construction did not expand to the proportion to which it had in past years because of material shortages, the high interest rate and the general lack of capital for building.

Many commercial, residential and industrial projects which had been proposed for 1974 never left the drawing boards because of neighborhood opposition, zoning restrictions and/or the depressed economy of the area. The outlook for increased nonagricultural employment and increased productivity of goods is uncertain at the present time in the Lawrence-Haverhill area because of the uncertain economy.

c. Population Characteristics

The following table based on the 1960 and 1970 federal censuses shows that the Lawrence-Haverhill, Massachusetts-N.H. SMSA increased in population by 14.3 percent over that ten-year period. However, both central cities -- Lawrence and Haverhill -- had small losses (5.6 percent and 0.5 percent respectively) compared to the substantial gains recorded by the suburban towns of the area.

Lawrence-Haverhill, Massachusetts-N.H. SMSA
Comparison of Population Data Over the Decade 1960-1970*

	1970**	1960	Change 1960 to 1970	
			Number	Percent
TOTAL	232,415	199,136	33,279	14.3
Central Cities	113,035	117,279	-4,244	- 3.6
Lawrence	66,915	70,933	-4,018	- 5.6
Haverhill	46,120	46,346	- 226	- 0.5
Suburban Towns in Essex County, Massachusetts				
Andover Town	23,695	17,134	6,561	38.3
Georgetown Town	5,290	3,755	1,535	40.9
Groveland Town	5,382	3,297	2,085	63.2
Merrimac Town	4,245	3,261	984	30.2
Methuen Town	35,456	28,114	7,342	26.1
North Andover Town	16,284	10,908	5,376	49.2
West Newbury Town	2,254	1,844	410	22.2
In Rockingham County, N.H.				
Newton Town	1,920	1,419	501	35.3
Plaistow Town	4,712	2,915	1,797	61.6
Salem Town	20,142	9,210	10,932	118.7

* Source: U.S. Census of Population

** Revised

Table 3

Lawrence-Haverhill, Massachusetts-N.H. SMSA
Nonagricultural Wage and Salary Employment
Annual Average-1964 to 1974
(in 000's)

	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974
Nonagricultural Wage & Salary Employment	76.3	75.7	77.2	80.3	83.3	84.3	86.8	85.4	88.4	92.7	94.2
Manufacturing-Total	41.6	40.4	40.8	41.8	42.4	41.5	40.0	37.0	37.0	39.1	40.3
Durable Goods	20.1	18.4	18.7	20.5	20.2	19.4	19.7	18.4	18.6	20.9	24.0
Machinery (exc. elec.)	1.9	2.1	2.5	2.6	2.5	2.7	2.3	2.0	2.1	2.2	2.4
Other Durable Goods	18.2	16.3	16.2	17.9	17.7	16.7	17.4	16.4	16.5	18.7	21.6
Nondurable Goods	21.5	22.0	22.1	21.3	22.2	22.1	20.3	18.6	18.4	18.2	16.3
Textiles	3.1	3.4	3.2	3.0	3.1	3.5	2.8	2.0	2.2	2.4	2.3
Paper	2.1	2.1	2.1	2.1	2.0	2.0	1.9	1.4	1.3	1.4	1.4
Rubber & Misc., Plastics	2.6	2.9	2.8	2.5	2.6	2.7	2.5	2.4	2.6	3.0	2.7
Leather	8.9	8.7	8.9	8.5	8.7	7.5	6.9	6.5	6.0	5.5	4.2
Other Nondurable Goods	4.8	4.9	5.1	5.2	5.8	6.4	6.2	6.3	6.3	5.9	5.7
Nonmanufacturing-Total	34.7	35.3	36.4	38.6	40.9	42.8	46.8	48.4	51.4	53.6	53.9
Construction	2.1	2.0	2.0	2.0	2.2	2.3	2.6	2.7	2.9	3.0	2.5
Trans., Comm., Utilities	2.1	2.0	2.1	2.1	2.3	2.6	2.7	2.7	3.1	3.4	3.5
Trade	12.9	13.3	13.7	14.2	14.5	15.0	16.2	16.1	16.3	17.3	17.3
Fin., Ins., & Real Estate	2.1	2.1	2.1	2.2	2.3	2.3	2.5	2.8	2.8	3.0	3.2
Service, Misc., Mining	8.3	8.4	8.6	9.2	9.4	10.0	11.2	12.0	13.5	13.9	14.1
Government	7.2	7.5	7.9	8.9	10.2	10.6	11.6	12.1	12.8	13.0	13.3
All Other Nonagricultural 1/	7.8	7.5	7.1	6.9	6.6	6.4	5.6	5.6	5.6	5.6	5.5
Agriculture	0.9	0.9	0.9	0.9	0.9	0.9	0.7	0.6	0.6	0.6	0.6
Persons involved in labor disputes	0.1	0.0	0.1	0.0	0.1	0.0	0.0	0.0	0.0	0.1	0.0

Source: Current Employment Series of the Massachusetts Division of Employment Security in cooperation with the U.S. Department of Labor, Bureau of Labor Statistics as Adjusted to Employment and Wage Data of the Massachusetts Division of Employment Security.

1/ Nonagricultural self-employed, unpaid family workers, and domestic workers in private households
2/ Columns may not add due to rounding

3. Employment Developments and Outlook by Industry

The annual average for nonagricultural employment in the Lawrence-Haverhill, Massachusetts-N.H. SMSA was up by 1,500 (94,200 compared to 92,700) in 1974 over that of 1973. The trend in manufacturing employment followed patterns established in the previous two years (1972 and 1973) - employment rose slowly from 39,200 in January to peak at 41,500 in June, then dropped to 39,800 in July. Employment increased to the June level of 41,500 in August but during the last four months of the year 1,600 jobs were lost to leave a manufacturing total of 39,900 workers in the December, 1974 labor force.

Employment in the durable goods industries rose from 22,400 in January to a high of 25,100 in August and then dropped slightly the last four months of the year to 24,200 workers. The increased employment was primarily in the ordnance and electrical machinery sectors as government orders were received for ordnance, new military equipment and replacement parts and new workers were hired to meet production schedules. Then, as production schedules were met payrolls were stabilized. Increased demand for electrical and electronic devices for civilian market consumption also helped to augment the employment rolls. The ordnance and electrical machinery industries include the two largest employing units in this SMSA and stable or increased employment in these industries is extremely vital to this SMSA. Additionally, these industries subcontract to smaller shops in the area for the manufacture of certain electronic and electric components and assemblies and thus provide increased job opportunities for workers in the area.

During 1974 employment in the nondurable goods industries was reduced when a few firms in the leather and plastics industries closed down. Other firms in these industries reduced working hours to preclude further layoffs or plant closings.

Employment in the leather goods industry continued to be affected by the competition from foreign shoes and raw materials and it is unlikely that there will be an increase in employment in this industry because of this continued competition. Employment in the rubber and plastics industry continued to contract as the supply of raw materials from the petroleum industries was reduced because of the oil shortage or the price for materials became prohibitive. Among the nonmanufacturing industries the annual average employment showed a gain of 300 (53,900 vs. 53,600) from 1973 to 1974. Contract construction was down because of less activity both in and out of the SMSA due to shortages of building materials, the high interest rates and shortage of mortgage money.

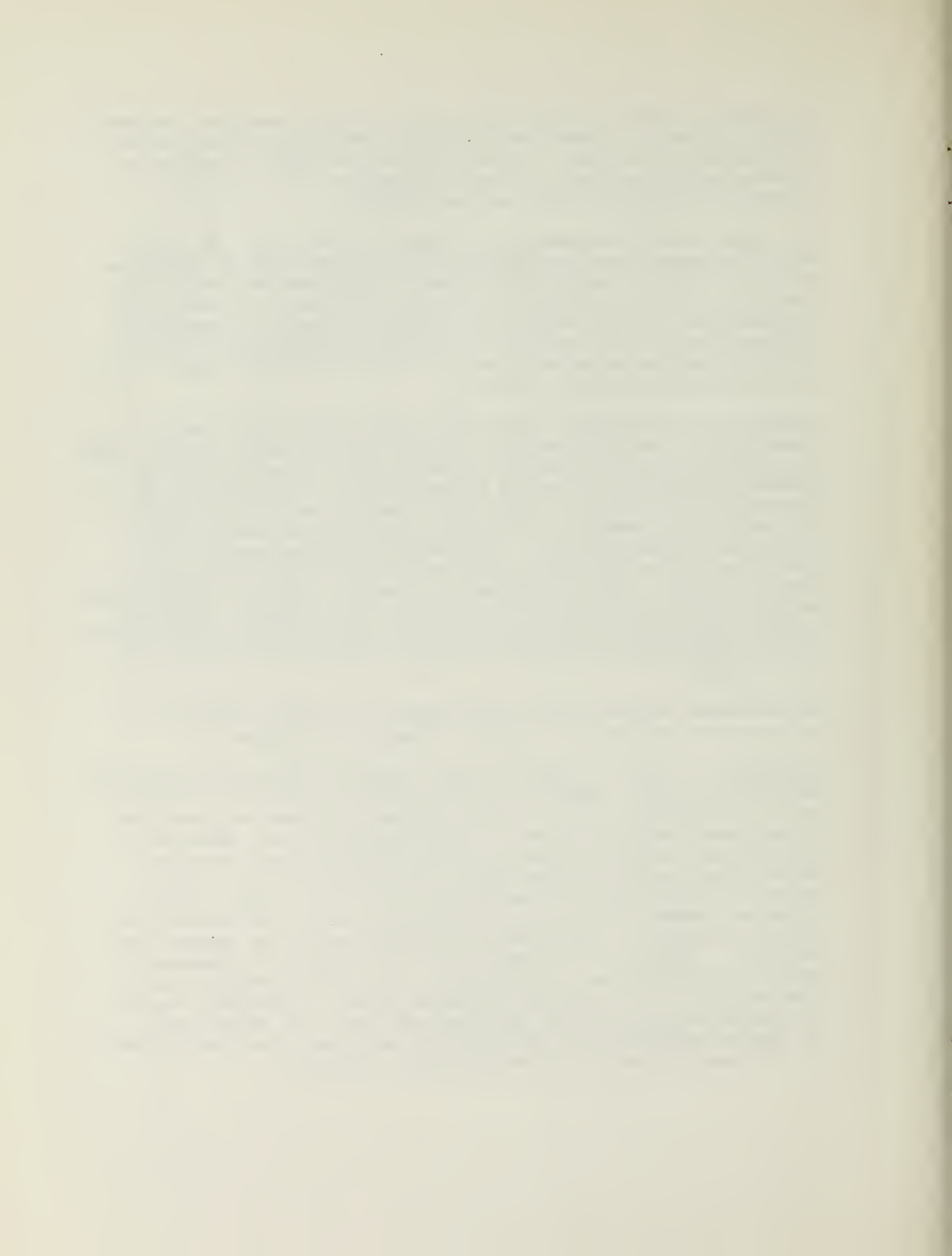
Employment in public utilities and in the service industries increased during the year as a result of facilities that had been enlarged or newly opened in the area. The need for various kinds of services on consumer appliances increased and additions were made to staffs in research and development programs and projects.

The annual average employment in finance, insurance and real estate and in government rose very slightly over the year 1974 in comparison to 1973. Increased employment in finance, insurance and real estate over the next year is doubtful because of tight mortgage money, high interest rates and the high cost of building materials. Government employment will hold steady or increase at a very moderate rate if growth in suburban areas continues to increase creating a demand for state and local government services.

Comments on the employment outlook for fiscal 1976 in the Lawrence-Haverhill SMSA are problematical at this point due to the effect of the petroleum and petroleum products shortage. New England is very dependent on imported oil and its derivatives and a short supply and an increased price make it difficult for industrial managers to plan for the future. All industry, both manufacturing and nonmanufacturing, is greatly dependent on oil. The electric utilities require it for fuel to run generating plants and manufacturers need oil for heating their buildings. Public buildings and schools as well as private office buildings and stores nearly all use fuel oil for heating. Converting to other fuels is difficult to accomplish on short notice, and, because of the small demand for coal over the past few years, it, too is in short supply.

Circumstances outlined in the two foregoing paragraphs indicate the uncertainties inherent in "outlook" comments at this time.

Employment in ordnance should continue steady as work on the government contracts continue. Employment in the electrical machinery industry will, in all probability, be further reduced as orders are cancelled or new orders are not received. Nonelectrical machinery employment will show an increase as production work begins in late summer on a Soviet order for \$4.6 million worth of textile machinery. In the nondurable goods industries employment in the near future is likely to be less steady than in the durable goods sector. The garment industry is expected to continue in its present pattern of seasonal ups-and-downs. The outlook for employment in the rubber and plastics industry is rather dim at this time due to the shortage of materials attributable to the energy and petroleum crises. A continued decline in employment in the leather industry seem inevitable as the impact of foreign competition and raw materials continue to have their effect on the domestic leather and leather goods industries.



Nonmanufacturing employment will remain fairly constant as consumers continue to resist the high prices asked for goods and are reluctant to spend money for services. Employment in the contract construction industry, which has been below normal for the last few seasons, is expected to continue at a slow pace because of the high prices of materials and the tight money for mortgages and building loans. Government employment should moderately expand because of the services required by the increasing population growth in suburban towns. Also, the creation of public service employment under CETA (Comprehensive Employment and Training Act of 1973) will help to expand government employment and reduce unemployment.

4. Employment Developments by Occupation

The Job Bank in the Lawrence DES office covers the Lawrence-Haverhill SMSA, the Lowell SMSA, the Newburyport Labor Market Area and towns northeast of Boston. The following tabulation lists the job openings that were on the Job Bank in March 1975 and indicates the number of job openings that were unfilled for 30 days or longer. The large number of clerical and sales openings indicated the demand for seasonal clerical workers to assist in processing income tax returns at the North Atlantic Internal Revenue Service Center. A large number of the openings in the services group were for workers in the health and medical fields.

In the professional, technical and managerial field there were a number of openings for department managers and/or manager trainees in retail sales businesses where the salaries offered were not too attractive. Another difficulty in filling these jobs was that professional people laid off from research and development positions or who worked in other highly specialized fields were considered over-qualified for the available openings and were not hired, even though they were willing to try lower-paying work rather than continue receiving unemployment benefits.

In the less skilled jobs there were some openings that were hard to fill because of the relatively low pay offered or because the job location was relatively inaccessible to workers not having their own transportation.

Unfilled Job Openings
in the Lawrence Job Bank
March 1975

DOT Code	Major Occupational Category	All Openings	Percent of all Openings	Unfilled 30 Days Or More
	TOTAL	1,633	100.0	599
0,1	Prof., Tech., & Managerial	247	15.1	79
2	Clerical and Sales	375	23.0	144
3	Domestic and Other Services	304	18.6	114
4	Farming, Forestry and Fisheries	4	0.2	2
5	Processing	57	3.5	21
6	Machine Trades	162	9.9	87
7	Bench Work	194	11.9	68
8	Structural Work	226	13.8	60
9	Miscellaneous	64	3.9	24

Source: DES ESARS Listing Table 12 - Dated March 31, 1975

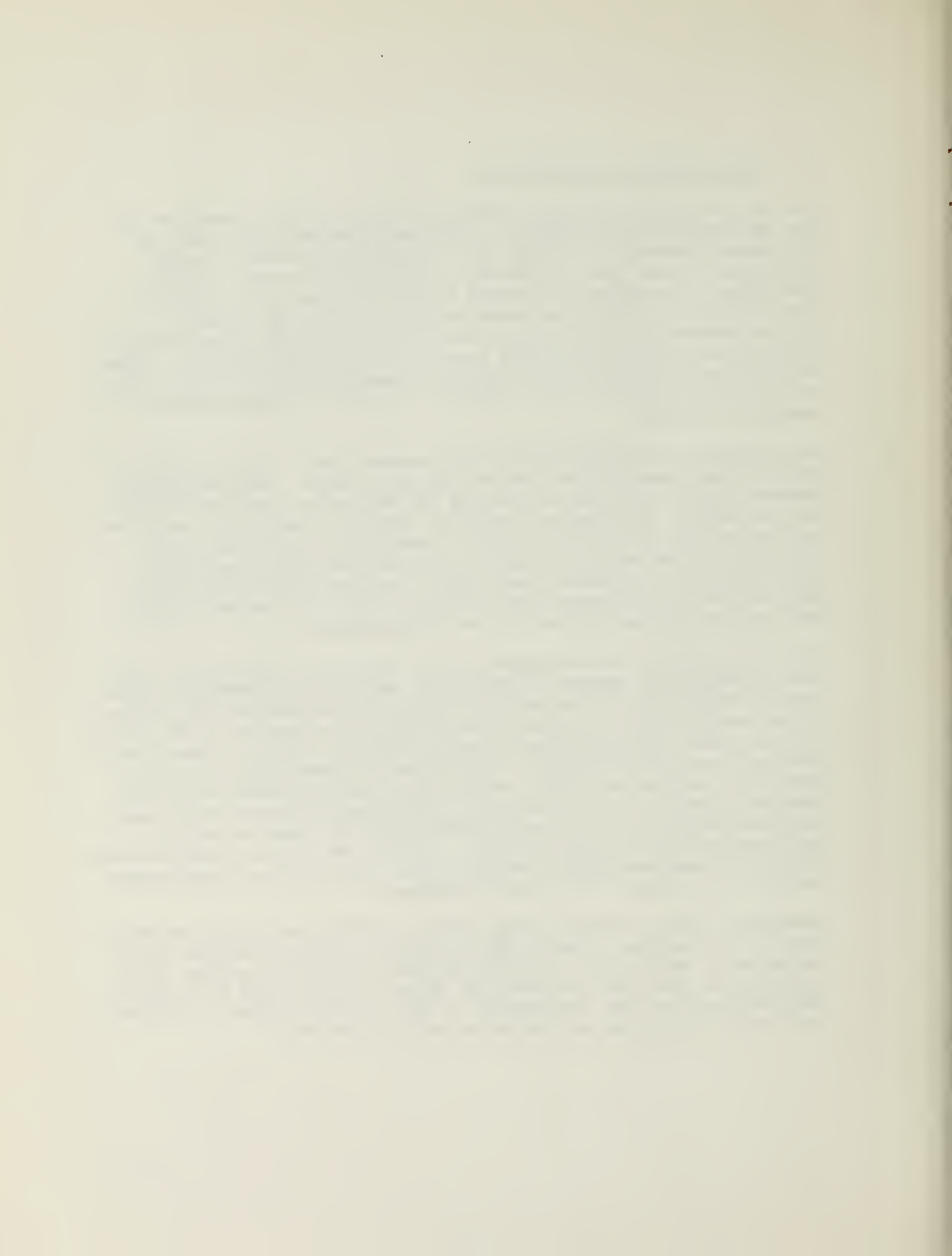
5. Recent Trends in Unemployment

For the year 1974 the annual average number of workers unemployed in the Lawrence-Haverhill SMSA was 7,900, an increase of 500 from the 1973 annual average of 7,400. This increased the annual average unemployment rate from 6.6 percent in 1973 to 6.9 percent in 1974. The number of unemployed decreased during the first five months of 1974, (9,100 to 6,500), increased to 7,500 in June and 9,000 in July as summer-job applicants entered the labor market, then decreased to 7,200 by October and finally rose again to 9,300 in December. The sudden rise at the end of the year was caused by layoffs in the rubber and plastics industries and a reduction in force in the electrical machinery industry.

The outlook for unemployment for the upcoming year is as uncertain as that for employment in the Lawrence-Haverhill SMSA. The traditional patterns can be expected to occur as the seasons progress but these will be subject to change as important industries are forced to adjust to economic changes and conditions. Unemployment is usually high during the winter months in the Lawrence-Haverhill SMSA because of the inactivity in contract construction, the reduced outdoor employment connected with tourism and recreation and the let-down in wholesale and retail trade after the year-end holidays.

With the advent of warmer weather in the spring the unemployment rolls should decrease as contract construction activities increase and other outdoor occupations in recreation, tourism and landscaping are resumed. In the months of June and July unemployment rises because of the influx into the labor force of housewives seeking summer jobs and students and graduates seeking steady work. The increased unemployment resulting from these sources is further augmented by vacation shutdowns in the textile, garment, shoe and electrical machinery industries where many employees may not be entitled to vacation pay and thus are eligible for unemployment insurance benefits. Late in the summer students return to school, industrial plants resume normal operations and unemployment declines until the winter season approaches.

Unemployment will increase during 1975 to reflect the closing of small firms in the leather industry and the plastic industry and the further reduction in the payrolls of the electrical machinery industry. The unemployment rate can be expected to climb to the 12.0 to 14.0 percent range during the first four months of 1975 and edge higher in July and then start to drop during the latter part of the year.



The following table shows the industries of last attachment of the totally unemployed - the industries tabulated had more than 100 persons receiving total unemployment compensation benefits during the survey week ending March 22, 1975.

Industries of Last Attachment of the Totally Unemployed
March 1975

SIC	Industry	All		Male		Female	
		Number	Percent	Number	Percent	Number	Percent
	TOTALLY UNEMPLOYED	7,915	100.0	5,185	100.0	2,730	100.0
22	Textile Mill Products	252	3.2	127	2.4	125	4.6
23	Apparel	232	2.9	59	1.1	173	6.3
26	Paper & Allied Products	123	1.6	91	1.8	32	1.2
30	Rubber & Plastic Products	420	5.3	277	5.3	143	5.2
31	Leather & Leather Prod.	375	4.7	172	3.3	203	7.4
32	Stone, Clay & Glass Prod.	111	1.4	57	1.1	54	2.0
34	Fabricated Metals	180	2.3	129	2.5	51	1.9
35	Nonelectrical Machinery	184	2.3	156	3.0	28	1.0
36	Electrical Machinery	997	12.6	376	7.3	621	22.7
15-17	Contract Construction	1,631	20.6	1,604	30.9	27	1.0
40-49	Trans., Comm., & Util.	284	3.6	235	4.5	49	1.8
50-59	Wholesale & Retail Trade	916	11.6	591	11.4	325	11.9
60-69	Fin., Ins., & Real Estate	140	1.8	57	1.1	83	3.0
70-89	Services	673	8.5	375	7.2	298	10.9
91-93	Government	221	2.8	123	2.4	98	3.6
	All Other	1,176	14.9	756	14.6	420	15.4

Source: DES tabulation of benefit payments for the survey week ending March 22, 1975
Note: Percent columns may not add because of rounding

6. The Universe of Need for Manpower Services

"The Universe of Need for Manpower Services" is an expression intended to include several groups of people who live or work in the SMSA and who need employment-related services. The main groups are:

- (1) the unemployed -- people who have no job but are able to work, available for work and actively seeking work;
- (2) the underutilized workers who are employed part-time or are working full-time for pay that is below the poverty level for family income;
- (3) persons not in the labor force but should be.

"The Universe of Need for Manpower Services" in the Lawrence-Haverhill SMSA is estimated at 38,648 for fiscal year 1976. This projection includes 5,570 poor (4,435 disadvantaged and 1,135 other poor) and 33,078 nonpoor of whom 8,176 meet the criteria for the definition of "near-poverty" while the remaining 24,902 are classified as "all other nonpoor". The Universe of Need estimates that 38,648 different individuals will require manpower services during fiscal 1976 while there will be 29,100 individuals persons unemployed during the same period. These estimated projections indicate that the economy of the SMSA is indeed worsening, especially in the nondurable goods manufacturing industries.

Table 1

Universe of Need for Manpower Services

Fiscal Year 1976

wrence-Haverhill, Massachusetts-N.H. SMSABase Period Used FY 1975

	Number of Individuals Planning Assumptions for FY 1976
1. Total Universe of Need for Manpower Services (Number of different individuals in year)	38,648
a. Poor	5,570
(1) Disadvantaged	4,435
(2) Other Poor	1,135
b. Nonpoor	33,078
(1) Near-Poverty	8,176
(2) All Other Nonpoor	24,902
2. Unemployed and Underutilized Disadvantaged, Total	4,435
a. Unemployed	320
b. Underutilized	4,115
(1) Employed part-time for economic reasons	1,174
(2) Employed full-time but with family income at or below poverty level	1,209
(3) Not in labor force but should be	1,732
3. Total Number of Different Individuals Unemployed in Year.	29,100

Plan of Service Manpower Data Summary
Lawrence-Haverhill, Massachusetts-N.H. SMSA

Period Used FY 1975

Fiscal Year 1976

Item	Number of Individuals SMSA Total*
1. Total Civilian Population (as of 1970 U.S. Census)	232,415
a. Age Distribution:	
16 through 21 years	21,842
22 through 44 years	61,923
45 years and over	78,622
b. <u>Members of Minority - Total</u>	5,408
16 years and over	2,646
2. Total Civilian Labor Force	
(12 month average for year ending	116,200
a. Employed, Total (12 month average)	108,000
b. Unemployed (12 month average)	8,200
(1) Unemployment Rate	7.1
3. Universe of Need for Manpower Services for Fiscal Year 1976	38,648
(Number of different individuals in year)	
a. Poor	5,570
(1) Disadvantaged	4,435
(2) Other Poor	1,135
b. Non-Poor	33,078
(1) Near-poverty	8,176
(2) All Other Non- poor	24,902
4. Unemployed & Underutilized Disadvantaged:	
by Category	4,435
a. Unemployed	320
b. Underutilized	4,115
(1) Employed part-time for economic reasons	1,174
(2) Employed full-time, but with family income at or below poverty level	1,209
(3) Not in labor force but should be	1,732
5. Welfare Recipients	2,600
6. Estimated School Dropouts (Forecast period)	700
7. Estimated Number of Veterans Needing Man- power Services (Forecast period)	5,500
a. Number of Vietnam-Era Veterans Needing Manpower Services (Forecast period)	2,600
8. Estimated Number of Minorities needing Manpower Services	2,400
9. Total Number of Different Individuals Unemployed During the Year	29,100

* Based on 1970 Census

Characteristics of Selected Groups of Applicants for Work
Lawrence-Haverhill-M.H. SMSA

Applicant Group	March 1975	Percent of Total	March 1974	Percent of Total
All Active Applicants	7,459	*	7,016	*
Female	3,290	43.6	2,985	42.5
Disadvantaged	2,161	28.6	1,862	26.5
Negro	201	2.7	209	3.0
Spanish Surname	560	7.4	532	7.6
Under 22 years of age	1,491	19.8	1,681	24.0
45 years of age or older	1,382	18.3	1,329	18.9
Handicapped	1,103	14.6	925	13.2
Veterans	1,958	25.9	1,948	27.8
Vietnam-era Veterans	996	13.2	858	12.2

Source: ESARS (Employment Service Automated Reporting System)
Table 91 dated March 31, 1975

* Will exceed 100.0 percent - an applicant can be in more than one category

7. Characteristics of the Disadvantaged

The Plan of Service Manpower Data Summary (page 13) indicated a total of 4,435 poor, disadvantaged individuals can be expected to require employment-related assistance and services during fiscal year 1976. To be classified as poor an individual must meet the poverty-level income requirements as established by the Social Security Administration. A person is considered to be disadvantaged when one or more of the following criteria are satisfied: (1) under 22 or over 45 years of age; (2) is a school drop-out; (3) is a minority group member; (4) is handicapped; (5) is underemployed or out of work for a specific length of time depending upon the time requirements of the specific manpower program applied for. Approximately 320 (7.2 percent) of the disadvantaged are unemployed and 1,209 are employed full-time but with family incomes at or below the established poverty level. In the Lawrence-Haverhill SMSA many members of minority groups, such as Spanish-speaking migrants from Puerto Rico and Central and/or South America are considered to be disadvantaged because of their lack of skills and/or training and their limited knowledge of the English language. The 1970 Census indicated that Spanish-speaking residents numbered about 3,300 in Lawrence and 1,500 in Haverhill - this is thought to be an undercount since many Spanish-speaking households did not return completed Census registration forms.

The table on page 14 lists the number of job applicants for the Lawrence-Haverhill SMSA and the Lawrence and Haverhill Employment Offices. At times the SMSA total will not equal the sum of the two offices because the SMSA total is an unduplicated count of individuals - whereas some applicants may have registered in both DES offices.

8. Characteristics of Individuals Other Than the Disadvantaged in the Universe of Need

There are many workers in the Universe of Need for the Lawrence-Haverhill SMSA who cannot qualify as disadvantaged individuals even though they are unemployed or underemployed periodically during the year. These workers are employed in the apparel industry, the leather and leather goods industry, in some electrical machinery firms and, in the contract construction industry in the private sector -- these industries are all

characterized by periods of seasonal unemployment or reduced weekly hours of work. Most workers in these industries, although claiming to be available for full time year-round employment, would not consider changing employers just for the sake of obtaining full time, year-round work with another employer. They are ready to work full-time for their regular employer and they anticipate the periods of seasonal unemployment during which the receipt of unemployment insurance benefits is regarded as part of their annual income.

Another important group of underemployed or underutilized workers is comprised of the several hundred temporary clerical workers employed during the first six months of the calendar year at the North Atlantic Internal Revenue Service Center at Andover. These workers are generally women in the 22-25 year age bracket with at least a high school education and they are predominantly categorized as secondary wage-earners. The salaries that are received for the few months of work together with the pay for accumulated annual leave and the receipt of unemployment insurance compensation under the Massachusetts law supplies them with the needed extra income for the purchase of family extras. While they are collecting benefits these workers are presumed to be available for and willing to accept referral to "suitable" work by interviewers in the Employment Service office -- unfortunately, their very specialized key-punch skills and their IRS "recall status " precludes their being referred to and being hired by other employers. Consequently, the IRS clerical workers are the largest single group of UI claimants in the Lawrence-Haverhill SMSA during the last half of each calendar year.

Construction workers, usually males 22 to 45 years of age, form another group of workers with high unemployment during the seasonal winter slowdowns. These men receive relatively high hourly wages when they work and they seem to be willing to try to live on their UI benefits during the winter months rather than try indoor work for which they have no skill, experience or desire. During the last few years many construction workers had longer periods of unemployment caused by the high interest rate on building loans, high cost of building material and supplies and the fact that mortgage monies were not too readily available.

9. Barriers to Employment of the Disadvantaged

One of the greatest barriers to employment of disadvantaged workers in the Lawrence-Haverhill SMSA is lack of knowledge of the English language-a real problem for the Spanish-speaking and French-speaking groups who have recently migrated into the area. These groups are further handicapped by unfamiliarity with the American way of living. Transportation presents a special problem for these people. Without private transportation the limited public transportation makes going to and from many job locations difficult if not impossible.

Many older workers with limited education are finding this to be a drawback in seeking better-paying jobs in order to maintain or better their present standard of living. Older workers displaced from the continually-contracting textile and leather products industries find that, although they were expert in their former jobs, their skills has become obsolete in factories using new types of machinery or their skills are not applicable to the requirements of other industries.

Two barriers to enrollees in the WIN (Work Incentive) Program are the lack of sufficient day-care centers for the children of families headed by women and the lack of inexpensive and timely public transportation to and from work locations.

An important barrier to all the unemployed in the near future could well be a lack of job openings because area industries are forced to reduce payrolls because of lack of business or other factors attributable to the energy crisis.

10. Lawrence-Haverhill, Massachusetts-
New Hampshire SMSA - Redefined

Effective August 1, 1975 all labor market statistics, news, and information pertaining to the Lawrence-Haverhill, Massachusetts-New Hampshire SMSA will refer to the new definition of the SMSA which includes the addition of two towns in Massachusetts and four towns in Rockingham County, New Hampshire:

Massachusetts

Amesbury

Salisbury

New Hampshire

Atkinson

Kingston

Hampstead

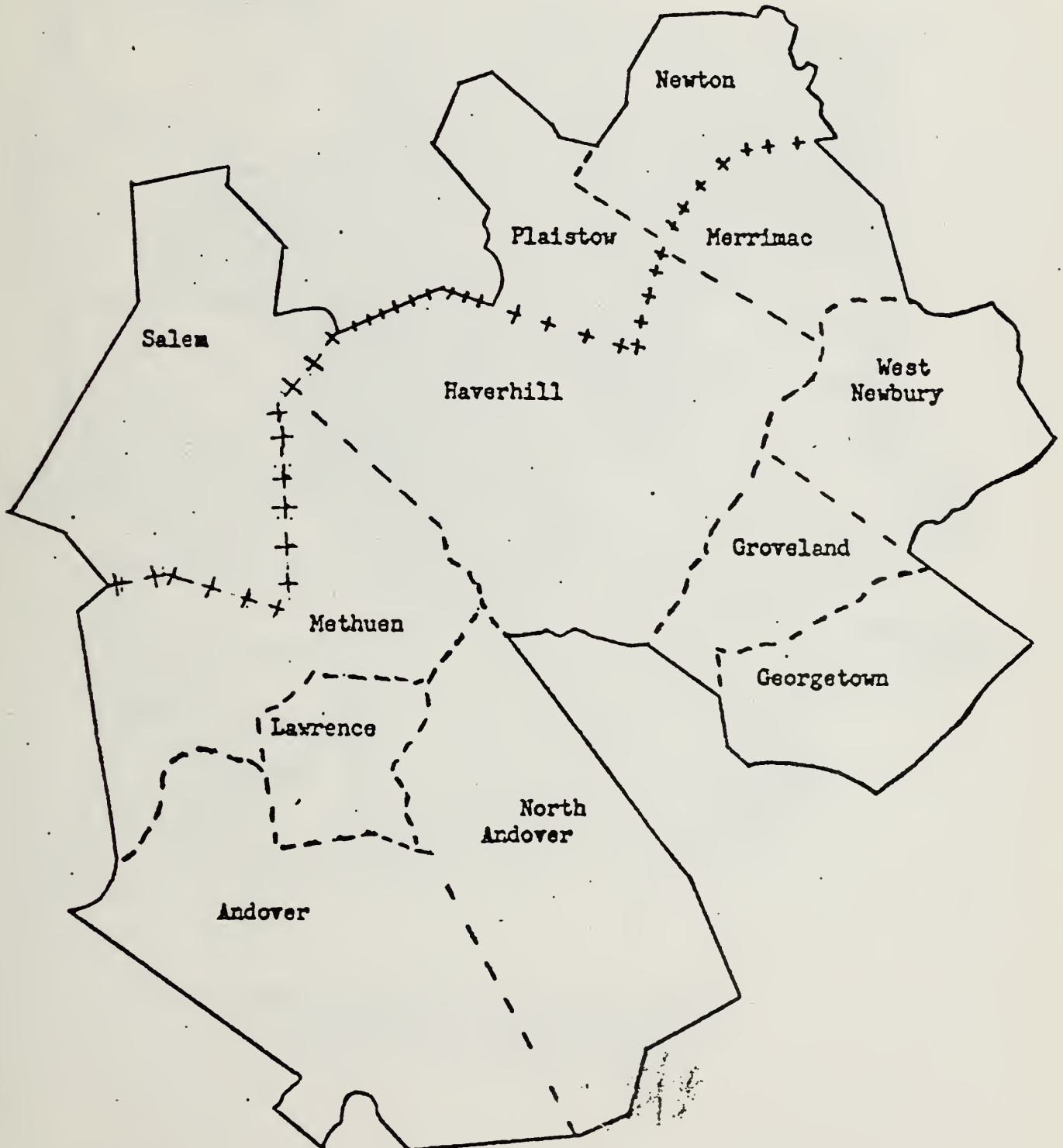
Windham

The monthly employment, unemployment and labor force data series will be revised eventually back to January 1972.

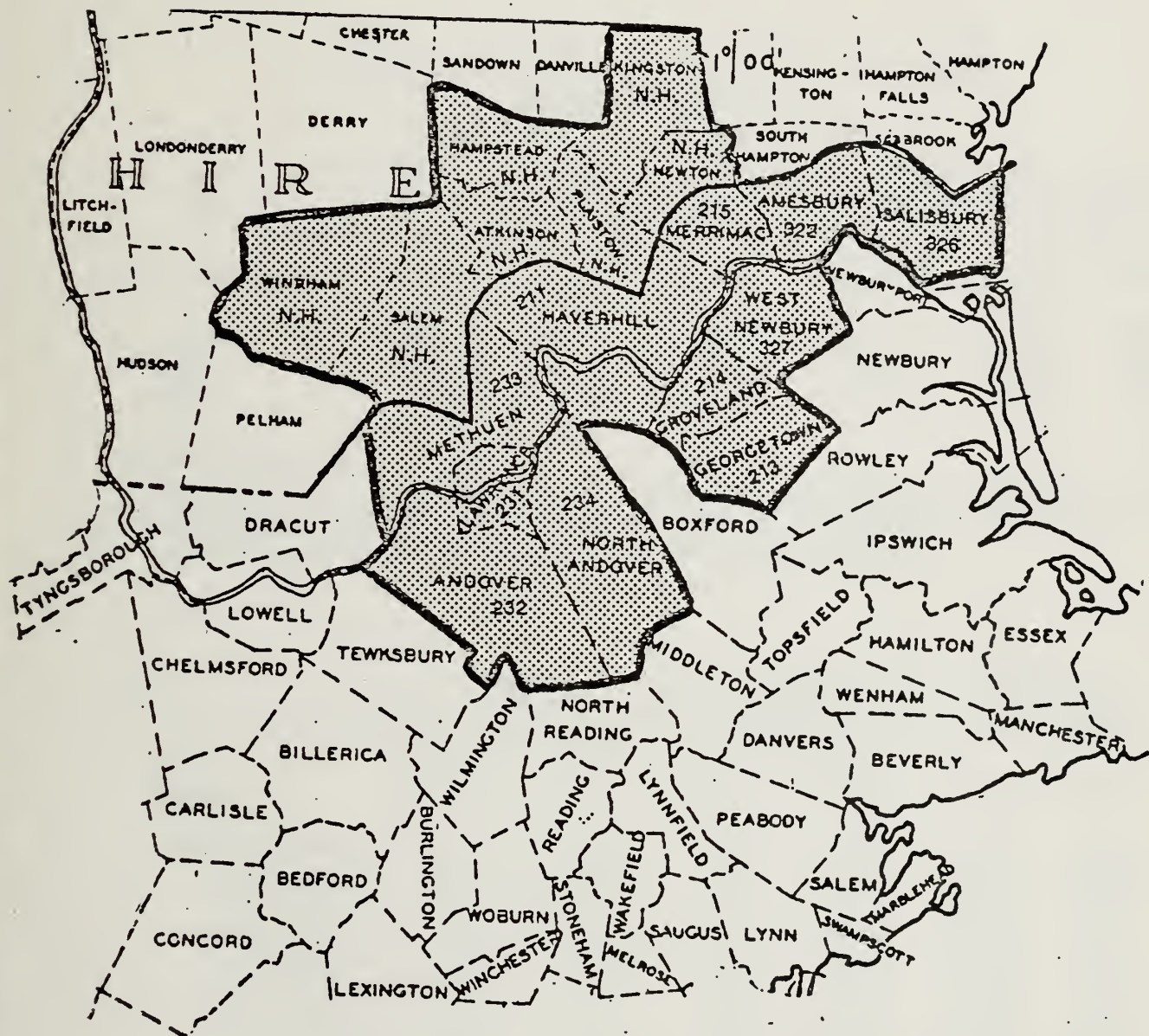
Standard Metropolitan Statistical Area

Legend

- SMSA boundary
- ++++ State boundary
- Town boundary



SMSA



THE COMMONWEALTH OF MASSACHUSETTS

DIVISION OF EMPLOYMENT SECURITY

As Defined By
U.S. Office of Management & Budget
27 April 1973

Lawrence-Haverhill, Massachusetts - N.H. SMSA

Appendix Table I

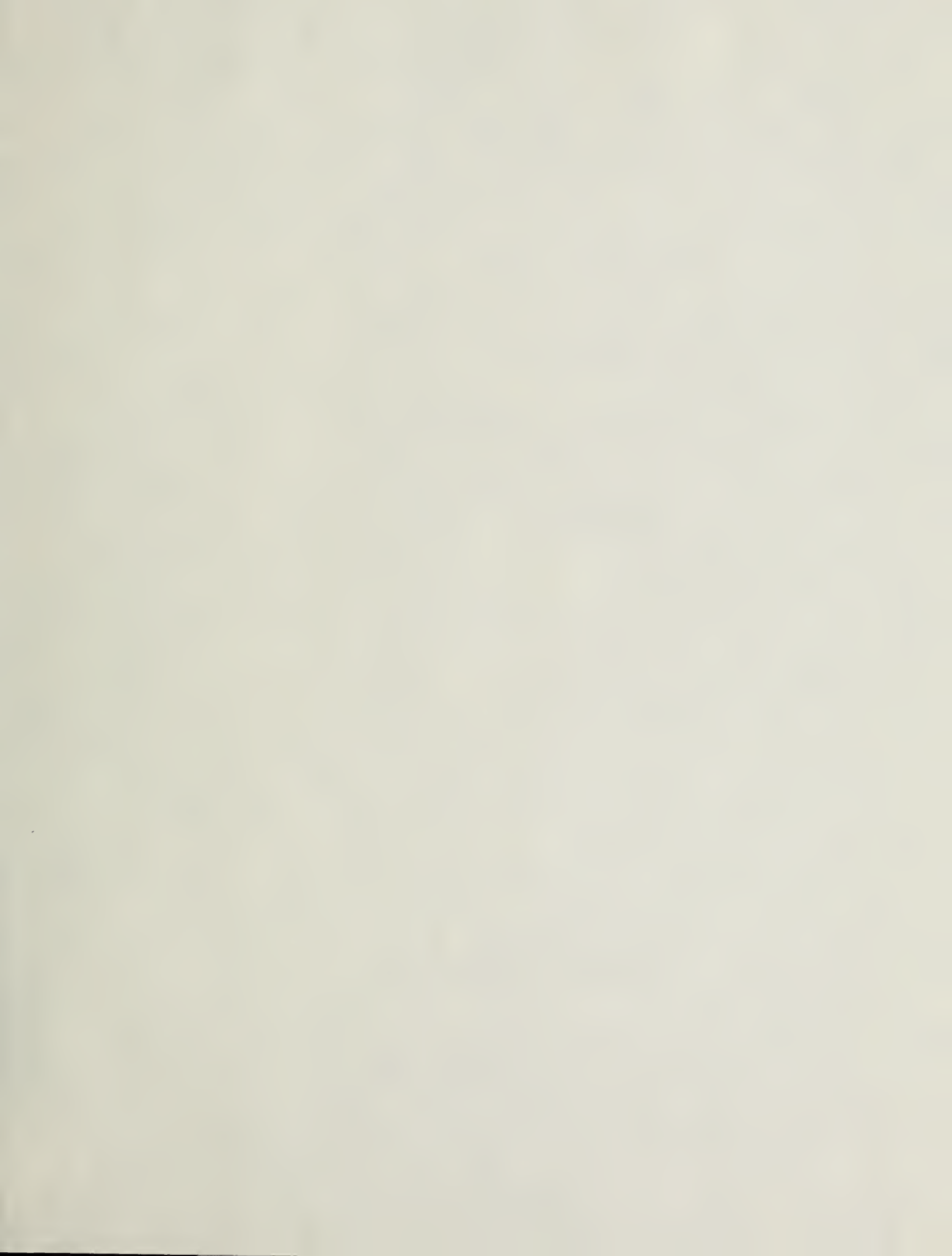
Population by Race, Age, and Sex

Race	SMSA	Percent	Lawrence	Percent	Haverhill	Percent
Total Population	232,415	100.0*	66,915	100.0*	46,120	100.0*
White	230,339	99.1	65,930	98.5	45,557	98.8
Negro	1,328	0.6	682	1.0	434	0.9
Other	748	0.3	303	0.5	129	0.3
Spanish-Speaking Minority	3,332	1.4	2,327	3.5	278	0.6

* Percentage columns add to more than 100 percent because Spanish-speaking group is included in the White population.

	SMSA		Lawrence		Haverhill	
	Male	Female	Male	Female	Male	Female
<u>Total</u>	111,124	121,291	31,441	35,474	21,427	24,693
Under 5 years	10,317	9,849	2,839	2,782	1,968	1,855
5-14 years	23,367	22,151	5,841	5,665	4,307	4,188
15-24 years	17,200	19,012	5,177	5,689	3,275	3,829
25-34 years	13,181	13,507	3,569	3,458	2,258	2,384
35-44 years	12,356	12,853	2,955	3,160	2,159	2,374
45-54 years	13,500	14,911	3,884	4,516	2,594	3,003
55-64 years	10,530	12,161	3,377	4,057	2,182	2,652
65 and over	10,673	16,847	3,799	6,147	2,684	4,408

Source: 1970 U. S. Census



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